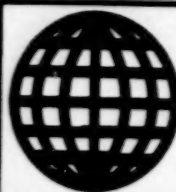


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20 DECEMBER 1990



**FOREIGN
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JPRS Report

Soviet Union

Economic Affairs

Soviet Union

Economic Affairs

JPRS-UEA-90-046

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ECONOMIC POLICY, ORGANIZATION, MANAGEMENT

Poll Shows Public Ignorance of Reform Plan

91P50062A Moscow IZVESTIYA in Russian 12 Dec 90
Union Edition p 1

[Article by A. Tolstykh; "What We Know About the Market"]

[Text] A poll conducted by sociologists revealed that the majority of people never understood which economic reform plan was chosen by the country.

For several months the country waited to see which program of economic salvation will be chosen. The choice was made, but which?

This was one of the questions in the latest survey of public opinion conducted by the VTsIOM (All-Union Center for the Study of Public Opinion) in November 1990. "During the last several months there have been heated debates over which method should be employed for the USSR transition to a market economy. Do you understand clearly which method was chosen?"

Some 1,363 people from 21 survey points responded to this question and only five percent are absolutely clear on which method has been chosen.

What is happening? For almost three months now on all TV channels (not to speak of the printed press) there has been nothing to watch except debates on the market transition programs, and the result is that nothing is clear to the masses or they are not fully clear on what is involved?

Yet, this is what the majority insist—53 percent are not clear! And in this case it is hard to blame those 12 percent that "could not answer." What can be expected of those that could not answer a question on which the majority is not clear!

And whose program was chosen in the end? This is illustrated by the responses to the question: "In your opinion, whose economic opinions are represented in the adopted program?" The majority, 14 percent, see the personal hand of the President. Others see the work of S. Shatalin (12 percent) and B. Yeltsin (10 percent). And only then N. Ryzhkov (7 percent) and L. Abalkin (5 percent). Again, 56 percent "could not answer." So, on the eve of the transition to a market, the people demonstrate a lack of orientation.

Gorbachev Anticrime Plan, Shadow Economy Discussed

914A0152A Moscow SOVETSKAYA ROSSIYA
in Russian 22 Nov 90 Second Edition p 2

[Interview with Aleksey Alekseyevich Sergeyev, chairman of the political economics department of the

Academy of Labor and Social Relations, by A. Golovenko: "Real and Imaginary Antidotes"]

[Text] Creation of a special service under the President to fight organized crime, the shadow economy, speculation and other manifestations of criminal activity that have inundated the country was foreseen among radical measures to improve the state of affairs in the country, proposed on 17 November by M. S. Gorbachev to the USSR Supreme Soviet. This organ, the president emphasized, will be staffed with energetic, highly professional specialists, and they will be able to go into action in the very near future.

The concept of a "shadow economy" never leaves the front page today. What does it represent, and how is this social evil to be eradicated from our society?

We discussed this matter today with professor, Doctor of Economic Sciences A. A. Sergeyev, chairman of the political economics department of the Academy of Labor and Social Relations. A lawyer by education, Aleksey Alekseyevich worked in his time in the Central Scientific Research Laboratory of the USSR Ministry of Internal Affairs, and after that in the Academy of the USSR Ministry of Internal Affairs, where he studied the problems of fighting economic crimes in socialist and capitalist countries. He was elected a member of the CPSU Central Committee at the 28th CPSU Congress.

[Golovenko] Aleksey Alekseyevich, how would you characterize the economic and political situation in the country today?

[Sergeyev] Let me put it this way: in economics—as a transition from a crisis to a dead-end situation, and in politics—as the people's deepest mistrust of the powers above, of their ability to lead the economy out of this crisis. Here's just one detail: During the 19th Congress of Soviet Trade Unions—that is, before all of the laborers, our premier, Nikolay Ivanovich Ryzhkov, said that national income is anticipated to decline sharply in 1990. All indicators of economic development are falling across the board. The internal debt has gone far beyond the 400-billion-ruble mark. While at the beginning of 1990 the foreign hard currency debt was, according to different estimates, \$41-43 billion, by the end of the year it surpassed \$50 billion. While in 1989 our presses printed an extra 18.5 billion rubles, and according to the 1990 plan they should have printed not more than 9-10 billion rubles, around 12 billion new rubles have been printed as of today. And almost everything has already disappeared from the store shelves.

[Golovenko] Had someone said in 1985, at the beginning of perestroika, that in its sixth year we would arrive at such a result, he would doubtlessly have been labeled a gloomy pessimist. Why did we reach goals opposite to those declared by perestroika?

[Sergeyev] At the risk of being labeled a prophet, let me say that I and a large group of economists foresaw today's crisis as early as in 1986. Because the type of

administration which has now turned out to be a dead-end administration came into being back then. Such an administration is based on deliberate elimination of state interference into the economy, and on a course toward private ownership—first under the guise of cooperatives, and now with no camouflage whatsoever.

[Golovenko] But hadn't we declared a most persistent war against bureaucracy taking the form of an authoritarian administrative system, tyranny of the apparatus and bureaucratic dominance?

[Sergeyev] A real struggle never occurred. Because we removed some bureaucrats, and then replaced them with others, frequently even more zealous. The new bureaucrats we often see today in the new Moscow City Soviet, the Leningrad Soviet and the Russian Supreme Soviet are no less double-dyed, and perhaps even more so, than their predecessors. This is now becoming clear to absolutely everyone.

[Golovenko] The opinion is circulating—and I understand you agree with it—that the first ones who will profit from privatization, including the sale of stores, cafes, dining halls, land and even major enterprises, will be the dealers of the shadow economy. Are they really that strong, rich and powerful? And anyway, what is this thing, the shadow economy?

[Sergeyev] To be brief, it is underground capitalism. And I mean capitalism, because it exploits the people. Either directly by hiring laborers, or through exchange, speculation and the like.

It stands to reason that the structure of our shadow economy is different from that in the West. There, it contains classical blocs such as prostitution, narcotics, and arms trade. We have these components in our shadow economy as well, but its main unique feature is that while in some instances it produces completely ordinary goods, it does so from raw materials stolen from the state with equipment stolen from the state. For example, when meat packing plants accept farm animals from the kolkhozes, they reduce the real weight by 1.5-2 times when bribed to do so by the carrier. And as a result, an enormous mass of unaccounted-for meat comes into being. Then all kinds of products are made from it—sausages, ham and other such products, which are then sold illegally through the corresponding stores. In this case a worker might not even suspect that he is participating in an underground operation.

Now a little about some of the components of the shadow economy. The main component is misappropriation, against which we never did initiate a real struggle in the years of perestroika. The goal of misappropriation is clear: to obtain unearned "wages" and bonuses, and to create a stockpile of unaccounted-for raw materials, which could then be used in organizing an underground production operation. Large-scale speculation is another component.

One other branch of the shadow business is various sorts of operations in the financial sphere—for example, exchanging a state enterprise's clearing accounts for cash. We are indebted in many ways to that same "new cooperation" for this.

[Golovenko] Could you talk about this in a little more detail?

[Sergeyev] I could, in more detail and more graphically. Assume for example that a cooperative is opened under an enterprise, and that a sum greatly exceeding state estimates is required for the fulfillment of certain jobs (digging a foundation for example). The plant or shop director isn't too concerned about this money. First of all, it is not his, and second, it is in the enterprise account, and it cannot be cleared—it can only be transferred. And so it is transferred to the cooperative, while the latter converts it into cash at the bank, and uses it as wages. But this is only half the problem. Frequently with the appropriate bribe, the money is converted to cash without question, and then products "produced" by the cooperative are written off. In this case the enterprise's funds are converted into cash as before, despite the prohibitions.

A new item of income recently came into being: purchase of raw materials inside the country, their sale outside the country, purchase of electronic and other industrial goods there at low prices, and resale of these goods at three times the price inside the country. Thus the annual turnover of the shadow economy is, in my estimation, not less than 200 billion rubles, and annual net profit is not less than 100 billion rubles. Why such a high profit norm? Because in the shadow economy, the proportion of investments into fixed capital is small, and what we are dealing with primarily is working capital. Buy and resell. There is also the accumulated potential of the shadow economy—that is, everything that it possesses, including reserves of gold, hard currency, works of art, real estate and so on.

Just two years ago I estimated this potential at a total of not less than 500 billion rubles. Now I feel it is creeping up toward a figure of 700-800 billion rubles.

[Golovenko] The conclusion this brings us to is this: This capital needs its spheres of application. And when public property is denationalized, it will be the first to go into action.

[Sergeyev] That's a valid hypothesis in principle. But you know, new attendant circumstances are beginning to play a role here. The fact is that the "five hundred day" program and the Basic Directions approved by the USSR Supreme Soviet lay very high hopes on attracting foreign capital. I think that a discrepancy may arise here. The fact is that there are few in this country who realize that a major economic crisis is developing in the West. But in the West, the crisis is no longer just a supposition. For example the editorial in one of the issues of London's *ECONOMIST*—a respected economic journal—states that 1991 would doubtlessly be a year of economic

crisis for the West, and chiefly for the United States, although the author does make the qualification that it is impossible to predict the duration of this crisis. What does this mean to us? That goods produced in the Soviet Union will not be sold in Western markets, either for foreign capital or with its participation.

The hope remains of selling these goods in our internal market, but everyone is in absolute agreement with the idea that during the next 1.5-2 years the production volume in the Soviet Union will decline, and the people's standard of living will decrease as a result of growth of prices and unemployment. Consequently the capacity of our domestic market will also decrease, and there will be no good prospects for foreign capital.

[Golovenko] Aleksey Alekseyevich, I somehow fail to grasp the relationship between the impending crisis in the West and our black marketeers.

[Sergeyev] The fact is that black market capital is very much oriented on foreign capital, and our dealers understand this quite well: If the economic situation worsens sharply in the West, their prospects for entrepreneurial activity will fall sharply as well. Black marketeers would prefer to invest capital in an enterprise producing products which could be sold not only inside the country but also for hard currency abroad. And therefore I think that our black marketeers would not be in very much of a hurry to purchase state enterprises.

[Golovenko] Where in your opinion will they commit their capital?

[Sergeyev] Primarily, I think, into housing. It seems to me that not only multistory residential buildings but also entire blocks and even streets will go into private ownership. I also feel that black marketeers will try to invest their capital into land as well—the signs of this are clearly evident. You may have noticed how frantically some newspapers are arguing for private sale of land? And although the fall plenum of the CPSU Central Committee voted against this, it is too early to make any categorical conclusions. The situation is changing with every day. I think that black marketeers are organizing extremely strong pressure upon legislative organs in order to push through a law on private sale of land. Because housing and land are the most reliable area of application of legalized black market capital.

[Golovenko] Let's talk about the things that in your opinion will make it possible for everyone to begin under identical conditions when we convert to a market economy. In this connection, you attach enormous significance to monetary reform. Please explain what it means to you, and why in your opinion the efforts at reform are being distorted. And why, finally, is the government against monetary reform?

[Sergeyev] There are two fundamentally different approaches to solving the problem of the economy's financial recovery. One approach involves selling state property and state enterprises to private owners, and

thus "tying down" this wandering capital. This is the government's approach, and it is S. Shatalin's approach.

I hold the opposite point of view. Financial recovery must be achieved with an attack on the shadow economy. And monetary reform is precisely what should be in the center of this attack. I have already spoken many times about how this reform should be carried out: Rubles should be exchanged for equal amounts of rubles, up to an amount of 10,000 rubles; above this sum, the ruble-for-ruble exchange rate should be retained as well, except that submission of income statements would be required.

[Golovenko] Excuse me, but I would like to interrupt you here for a moment: I have myself often heard members of the union government speaking at various forums reject the proposed idea of money reform based on "confiscation." I felt that they were talking precisely about your proposals. But you are saying nothing about "confiscation."

[Sergeyev] The fact is that for certain reasons totally incomprehensible to me, the government opposes the monetary reform I support, but it offers no arguments of any kind against it. We can't treat as serious the argument that such monetary reform would put a significant part of the population at odds with the government. And even if anyone is "placed at odds" with the government, it would be precisely that insignificant mob of high-income black marketeers. Those who are trying to sway the head of the government against reform are implying that our underground millionaires will be unable to prove the legality of their capital. Clearly they will undergo "self-confiscation." What is interesting is that suddenly those who had zealously opposed monetary reform have now begun supporting it. For example, Nikolay Petrovich Shmelev recognized it in VOPROSY EKONOMIKI as the most "possible variant" of financial recovery.

But there is a great deal of cunning behind this effort at "one-upsmanship." He suggests exchanging up to 1,500 rubles on a ruble-for-ruble basis, and above that, 10 "old" rubles for one "new." That is, it is clear from the context of his article that he proposes carrying out this measure after privatization. That is, at first the black marketeers will be able to legalize their capital in Shmelev's way, and after that, go ahead and carry out your reform. In the estimation of this scholar, such reform would bring in on the order of 60 billion rubles.

But the author says not a single word about the fact that this reform will be a very painful blow to our population's middle strata. That is, to those people who struggled for many years to reach an average monthly income of 300 to 500 rubles and save 3,000-5,000 rubles. Like the old lady who saved 3,000 rubles for a rainy day. In brief, those who put something away for old age, for a car, for a cooperative apartment.... These are precisely the people who will give Nikolay Shmelev those 60 billion rubles. Because they are not going to buy the

shares of some enterprise, they will be the ones who will suffer from an exchange of the "one new ruble for 10 old ones" sort. This in my opinion is a totally antipopular idea.

[Golovenko] What in your opinion should be the first actions taken by the special service created the president?

[Sergeyev] What I fear most of all are those first, initial measures, which often transform into a campaign. I am not very impressed by the diffuseness of the new service's objectives. There are so many of them. And if you look closely, you find that organized crime, speculation and "other manifestations" are actually different sides and methods of activity of one and the same evil—the shadow economy. It is the fight against it that must receive the main emphasis. It is precisely what fuels all crime today.

This is not the first year that the need for fighting the shadow economy has been discussed. We might recall the 27th and 28th CPSU congresses, and the 19th CPSU Conference. Last year a special Interim Committee for Combatting Organized Crime was created, but can you say anything off the top of your head about the results of its work?

[Golovenko] The opinion exists that it was not effective because law enforcement organs were simply united mechanically under the auspices of a single person.

[Sergeyev] That's half the truth. What additional powers did this committee receive in its fight against crime? We don't know. Another reason that its activities could not produce any benefit was that the general legislative line taken by the country, paradoxical as this may seem, contradicted the objectives of the fight against the shadow economy.

Even today, I am very much afraid that loud pronouncements about the need for fighting the black marketeers might be just another trick. Take for example the "five hundred days" program or the Basic Directions for Stabilizing the Economy and Converting to a Market Economy. Their objective is precisely to legalize the shadow economy. That's the paradox, but no one wants to bring any attention to it.

For example the author's of the "five hundred days" program base themselves on the notion that only 10 percent of shares of major enterprises may belong to the labor collective. But who is going to buy up the other 90 percent, and become the actual owner of the plant or factory? He who possesses enormous amounts of capital. This is why I feel that if we wish to seriously fight the black marketeers, we will have to attentively review and adjust the program for transition to a market economy and the Law on Cooperation from this point of view.

I have said it before, and I will repeat it once again: Monetary reform is the primary way to strike against black market capital. Such a blow would demonstrate, if

you like, the entire seriousness of our intent to put an end to the unearned income of underground businessmen. Introduction of a progressive public income tax must be taken to its conclusion. Consider the hypocrisy which has resulted: They began demanding payment of tax not on total income but, if you like, on degree of kinship. That is to say, the closest relatives pay less, more distant relatives pay more, and so on. Where is the logic in that?

We also need to finally introduce a standard savings passbook for every citizen, begin introducing the practice of filling out annual income statements, and establish differentiated interest on savings bank deposits. For example, the lower the deposit, the higher the rate.

And of course, the president might have some influence in changing the press's attitude toward the fight against black market capital. At least in press organs of the supreme soviets. Consider for example how some newspapers trumpeted the "heroism of the ANT"! Could this be why none of the combine's workers were punished? How is the new presidential service to fight against speculation if the newspapers openly demand removal of the corresponding article from the Criminal Code? If speculation is served up as something valorous, and if Ryzhkov's market in Moscow is claimed to be a model of new economic relations? If the press reports that G. Kh. Popov's dacha costs on the order of 400,000 rubles, and we all give the appearance that this is as it should be?

Unfortunately, we are constantly reinventing the wheel. A commission to reveal underground millionaires and undercover cooperative workers was created on F. E. Dzerzhinskiy's initiative back in the 1920s. What is keeping us from dusting off the archives and examining that experience?

[Golovenko] I think that today's underground millionaires are not the same.

[Sergeyev] Well, in that case there is experience of a more recent sort as well. In 1977 the USSR Ministry of Internal Affairs opened the Central Scientific Research Laboratory on Economic and Legal Problems of Safeguarding Socialist Property. It was headed by G. Sinilov, and I was his deputy. We summarized the work of the country's Department for Combatting the Embezzlement of Socialist Property and Speculation, and we revealed the channels of the activities of black marketeers. The laboratory remained in operation for five years, and then it was closed down. But a colossal amount of material had been summarized! So what is keeping us from opening an interdepartmental scientific institution on the problems of fighting the shadow economy? If need be, I could take part in its work. I know nothing about the composition of the legal service under the president that is to begin its work any time now. But I feel that it should include authorities such as G. Sinilov mentioned above, A. Gurov, USSR Minister of Justice V. Yakovlev and others. In short, I am in favor of seeking real antidotes.

Role of Free Economic Zones Questioned

914A0113A Moscow IZVESTIYA in Russian 12 Nov 90
Union Edition p 2

[Article by M. Krushinskiy: "The Fog Over Free Zones" under the rubric "Face Toward the Market"]

[Text] Starry-eyed ideas and progressive economic conceptions are something we always have in abundance. Unfortunately, matters rarely go farther (or, more precisely, deeper): even after we adopt a given legislative act, we more often than not become bogged down at the conceptual level without troubling ourselves to set foot on sinful land.

Free economic zones (also known as: special, open, export, joint, mixed, commercial-scientific-technical, etc.) are a typical example. This is the third year we have been discussing them at the, so to speak, official level. Eleven regions in Russia from the Baltic to the Pacific Ocean have received special status, and the number of applications received is probably in the double digits. The press is filled with solid judgments of the pluses and minuses of joint entrepreneurship freed from customs. Various methods of classifying free territories are proposed from the standpoint of their size and purpose (production for export, trade, tourism, etc.). The public lives in the conviction that somewhere there, in the border regions, axes will be heard and lo and behold! dollars, francs, and pounds sterling will flow into the country. "Work superintendents and carpenters" congregate for the alleged purpose of exchanging their cumulative experience and it becomes clear that there is no experience as yet and that good intentions are the only subject of exchange.

I personally became convinced of this at a seminar on free zones that was held at the end of October in Leningrad and Novgorod. I would least of all like to cast a shadow on organizers from the USSR Council of Ministers' Academy of the National Economy and the Leningrad Institute of Finance and Economics. They did what they could and whatever the case, the possibility to meet and talk was useful for hundreds of our administrators and managers as well as for visitors from Sodzhea—an Italian business school. Otherwise it would have been impossible to budge. But it is still painful to see the distance that still separates us from civilized market relations.

The only real progress during those years was in the social consciousness. We no longer fear "auctioning off the Homeland" or at any rate our fear is not as great as it was. But, having convinced ourselves that such fears are without foundation, we appear to go to the other extreme. It began to seem to us that foreign millionaires could not wait to invest their millions with benefit for our bespattered economy.

Take Novgorod. A year ago, it was filled with raging "patriotic" passions that ultimately did not allow "foreign capital to tear" the city and the oblast "to pieces"

(for more detail, see IZVESTIYA, No 362, 1989). The mood has now changed. Whether the gravity of the crisis that descended made the Novgoroders less choosy or whether the idea of the market economy has simply finally simply gripped the masses, deputies of the oblast Soviet recently spoke out for the establishment of a free enterprise zone here. And what ensued? Practically nothing. Unless, of course, one counts animated talks about the worldwide significance of Novgorod monuments, the uniqueness of Novgorod's surrounding nature, and the rich prospects of local radioelectronics. There are no specific plans or feasibility studies.

The region's resources are unquestionably great. But they still have to be awakened and set in motion. After all, foreigners who have been spoiled by excellent service need a place to stay, something to eat, and, incidentally, entertainment: ancient monuments, even if ideally restored, are not enough. Restoration, however, is just beginning and it cannot be said that much progress has been made. A contractor still has not been found to build a decent airport; motor roads, alas, are not in need of commentary; and against this background, talks about future Intourist routes "from the Varangians to the Greeks" and the rental of horse-drawn carriages "from Petersburg to Moscow," forgive me for saying so, smack of Manilovism [futile daydreaming].

In general, why do we believe, for example, that foreigners are just dying to get to Sochi's beaches? It is to us that they seem the greatest thing one could dream about. But a Swede or German wishing to get some sun will much prefer going to Nice because everything there is better, and cleaner, and, incidentally, cheaper. And they will prefer to drink the salubrious water not in Staraya Russa near Novgorod, but in Karlovy Vary, to say nothing of Baden-Baden. Professor V. Azar, our well-known expert on the economics of tourism, maintains that this branch is comparable with metallurgy in investment-intensiveness. I think that it would be more beneficial to us if we would thoroughly engage in the development of a new venture than to wait for hard currency to begin flowing in the form of payments for our beautiful even if rather soiled forests, seas, and mountains.

Of course, the objective difficulties are also great. Among specialists, this topic probably occupies second place (after the brilliant prospects). They talk about the shortage of financial, material-technical, and labor resources; about insufficient legislative work on the question; about unconscionably high taxes on profits and other obstacles generated by central economic organs, and there is a measure of truth in all this. However, there are obviously also subjective psychological "hang-ups" that prevent us from restructuring along modern market lines.

Here there is facile optimism, the expectation of manna from heaven in the form of state hard-currency injections (there are references to Council of Minister decrees that are four years old), and the not always precise

articulation of our own goals. For example, Chefs d'oeuvre d'Art, an international consortium created in Leningrad, that makes it possible to hope that the storerooms of the Russian Museum and the Hermitage will finally begin to produce a profit, proclaims not just anything, but the "radical improvement of the esthetic education of the population. That is what is written in its charter at any rate. It is stupid to dispute: education is most important, but does a solid commercial undertaking really need such pedagogical "ennoblement?" Has the time not come to render unto God the things that are God's, unto Caesar the things that are Caesar's, and to begin earning hard currency ourselves.

Specialists also disagree on the remote goals of free economic zones. At least two different approaches were found among participants in the seminar. Some (in particular, the Novgoroders) for all their qualifications view the zone as a kind of sluice between our economy and the world economy, i. e., ultimately proceed from the interests of the state. Others would like to use the assumed advantages of free status as a kind of compensation for the socioeconomic backwardness of their own region.

Chita is a typical example. As a representative of that town explained to me, the Transbaikalian region has suffered more than many other areas from many years of destructive management by departmental monopolies, so that it would be just to give Chitans the possibility of earning additional hard currency. Their economic trump cards are wood processing and leather-sheepskin production. At the same time, he understood that quite solid foreign capital can be attracted to the oblast only if it creates more favorable tax and customs conditions than its neighbors. At the expense of the latter, as it turns out. Also at the expense of the state treasury, to which the free zone is a type of long-term investment that entails not only risk but also losses during the initial period.

I shall not attempt to hand down a verdict on such a delicate matter. I shall only note that the broad diversity of opinions at the regional level stems from the lack of clarity at the public level. We still do not have a unified philosophy of "special territories" because every city decides many fundamental questions (territorial boundaries of the zones, their management, the rights of the work forces, the local population, etc.) as it sees fit. It would be more accurate to say that they think about them because, I repeat, matters do not go as far as concrete decisions, to say nothing of steps.

I agree: a single stereotype for all is not needed here and excessive regulation can only cause harm. Yu. Yakovets, doctor of economic sciences, one of the organizers of the Leningrad-Novgorod seminar, believes that only one or two typewritten pages are needed to define the rights of foreign partners with sufficient precision and completeness.

The recent presidential ukase: "On Foreign Investments in the USSR" takes an important, but not final step in

determining the real status of free zones. While equalizing the rights of Soviet and foreign investors, it at the same time appears to once again postpone the solution of the question of concrete privileges granted to foreigners in joint enterprise zones, and to a considerable degree leaves it to the discretion of the local authorities.

Free zones could be a serious help to us in the difficult period that lies ahead: by attracting foreign capital and technology, by assisting us to develop forgotten market skills, and, a matter of no little importance, by creating additional jobs. We should make the transition from pleasant dreams to concrete action soon or else the very idea may become spent like many of our earlier slogans and campaigns.

Academician Bogomoiov Appeals for Economic Unity

914A0131A Moscow OGONEK in Russian
No 45, Nov 90 p 1

[Interview with Academician Oleg Bogomoiov by Asya Kolodizhner: "The Trappings of Democracy"]

[Text] Our correspondent appealed to Academician Oleg Bogomoiov asking him to answer several questions.

[Kolodizhner] Oleg Timofeevich, after the adoption of the "Basic Directions" by the USSR Supreme Soviet, is one of the three variants proposed by Boris Yeltsyn possible for Russia?

[Bogomoiov] Today we are in an extremely difficult situation: supplying the populace in the cities is worsening, the threat of famine is looming, and the national income is declining. And our foreign accounts are in pathetic condition. People are unable to buy the basic necessities, including medicines. It is not clear how we will get out of the growing crisis. And I think that the feeling of alarm to a large extent predetermined the haste with which the "Basic Directions for Stabilization of the National Economy and Transition to a Market Economy," which the President announced, was adopted.

Today inaction is in general ruled out. At least some kind of action is required. Everyone is tired of discussions and the conflict of various conceptions and approaches. Another reason that this program was acceptable even for the radically-inclined deputies is, that it was formulated in very general terms. There are many "rubber" formulations in it. It is more a statement of intentions than a concrete plan of action; thereby, a lot of room is left for maneuvering, both on the part of the President, and that of the republics. It seemed to me that the tone of the criticism was too sharp (although it was of course justified for the most part by the uneasiness of the Russian authorities because of the violations of the agreements which existed between the center and Russia), and it helped accelerate the course of the debate in the USSR Supreme Soviet and the adoption of the "Basic Directions" by an overwhelming majority of votes, without serious criticism.

I see a way out of the situation that has been created (and I spoke of this at the USSR Supreme Soviet session, both on behalf of the Interregional Group, and on my own behalf) in cooperation between the center and Russia; and if one wants to put it in more concrete terms—between the two leaders, Gorbachev and Yeltsin.

The republics have declared their sovereignty. The desire to find it is very great, but at the same time the fact is that the center still has in its hands the fundamental power over the army and the law-enforcement organs, the organs of state security, the nation's foreign currency resources, and industry. The ministries continue to exist, and most industry is subordinate to them. Questions of division of jurisdiction cannot be settled by force today. Confrontational methods are fraught with great losses.

But there is no consensus, and that is disturbing.

Of course, it is unrealistic to speak of Russia withdrawing from our state. Well, how can it withdraw when it comprises the major portion of the state? In an economic respect, it is even hard to imagine. Russia should be acting as the consolidating center, or else we shall take a step backward and shall break up that which it is not advantageous to break up. We are turning into something like CEMA, where every state owns everything, has its own currency, and has some kind of treaty relationship, but can at any time find itself under a threat, if something happens. Russia should act as the integrating nucleus and should ensure equal cooperation for everyone. In order to have a single currency and common market, it is necessary to establish the prerequisites and not set up tariff barriers. But this can be done only if there will be voluntary distribution of jurisdiction between the center and the republics.

[Kolodizhner] Is this possible?

[Bogomolov] I believe it is the only path to salvation. If we do not want to commit suicide, we must find the path to agreement. Or else we will be confronted with unforeseen consequences.

[Kolodizhner] In fact, that is one of the variants of which Boris Yeltsin was speaking...

[Bogomolov] He was speaking about a coalition, but with a certain amount of political pressure. He was speaking as if from a position of strength. But it seems to me that we should not be talking to one another in such a tone today: neither the center with Russia, nor Russia with the center. We must achieve agreement on specifics. The new political thinking in international affairs serves as an example for us.

[Kolodizhner] Does the President's program provide an opportunity for such agreements?

[Bogomolov] It actually narrows them, since it represents only a formal compromise between the two programs. Essentially, only a few ideas, their consistency of exposition and even certain formulations have been taken from "500 Days," but their essence is closer to the

government's program, which began to be implemented de facto even prior to all the resolutions. Neither of these programs, as their authors declare, are compatible. One of them—the government program—essentially preserves a unitarian state with almost total control over all the most important economic processes, from the center. The other envisages significant autonomy for the republics and voluntary agreement on delegating certain rights and jurisdiction to the center. This point was not decided; it was set aside—but it is a key point. The main question is as follows: will we have a uniform currency, and a real currency? That is, the kind of currency with true purchasing power, supported by goods and services in the market, which provides a stimulus to labor, or will we not? There is still a great temptation for the republic to set up its own currency. And then we would take a step backwards, toward a confederation, to a kind of community of states on the European model. After celebrating their liberty, the republics will come to realize that freedom is not yet well-being; and that a portion of freedom must perhaps be sacrificed in the name of jointly organizing an effective economy.

[Kolodizhner] Oleg Timofeevich, the rejection of the "500 Days" program did not come as a surprise to you, did it?

[Bogomolov] That was to be expected. If the President had called upon the democrats to vote for this program, the parliament would have approved it. And Ryzhkov would have been forced to retire. But the President did not want to part ways with his government. If the President had sacrificed the government, he would have encountered enormous difficulties in forming a new one. Essentially, in accordance with the "500 Days" program, we would no longer have had the previous form of government. It would have become a committee of the chairmen of the republic Councils of Ministers, operating voluntarily, in a coordinated manner, and not a government of the former unitarian state. The President would have assumed the role of arbitrator and head of state in that case. And the failure of the new actions would have signified that the President must step down. These considerations, and perhaps our conservative forces as well, forced the President to reject the "500 Days" plan. The significant expansion of the authority of the republics would have threatened him with partial loss of power. In the future, the role of President might have been reduced largely to representative functions. Which, of course, was not part of the President's plans either.

[Kolodizhner] In world practical experience, have there ever been instances in which the government of a country, finding itself in a deep crisis, did not step down, and led the country out of a depression without resorting to radical measures?

[Bogomolov] In my opinion, such has not been the case in democratic countries. Of course, in totalitarian or authoritarian states with a dictatorship, at times both unpopular leaders and unpopular governments can hold on to power for quite a long time. However, normal democratic procedures stipulate, even without pressure on the part of the parliament, that a government that has

not carried out its obligations must step down. And in our case, for example, the five-year plan adopted in 1986 was presented by the head of our present government. Life has upset this plan. Its premise was altogether false; moreover, those who were responsible for carrying it out made tragic mistakes. And no one wants to take responsibility for this. The 28th Congress in general avoided the question of responsibility for the decisions adopted by the 27th Congress... And the government, moreover, did not render an account on it. Under a true democracy this would be impossible.

[Kolodizhner] Thus, we are turning aside from the democratic path?

[Bogomolov] I think that is correct. We are in no way capable of learning to live in accordance with common human norms. We are a long way from a rule of law state. For now we often have only the trappings of democracy; hence, the decline in prestige of both the Supreme Soviet and the Congress of People's Deputies, and the Russian parliament as well. Because they, unfortunately, have no authority and are incapable of solving the serious problems or influence events. And this has been a disappointment to the people.

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POLICY, ORGANIZATION

Belorussian Market Transition Problems Described

914F0049A Minsk SOVETSKAYA BELORUSSIYA
in Russian 2 Nov 90 p 2

[Article by V. Ponomaryov: "Dash From the Poverty Line: But in Which Direction?"]

[Text] Against the backdrop of the universal shortages that have stricken us, one thing seems to have remained abundant—talk of market models and fire-brigade measures to rescue the store counters. But people are interested, not in rumors and conjectures but in precise information: How are we going to live, what are we going to buy and at what price?

A press conference organized by the republic government was the latest attempt to answer these and other questions. Vladimir Zalomai and Vladislav Pilyuto, vice-chairmen of the Belorussian SSR Council of Ministers, executives of many ministries and departments, and leading scholars and specialists were present at the meeting with the journalists and representatives of the public.

The problems of the republic's changeover to a market economy were the subject of the discussion.

In this race for survival, which has already picked up speed and will make a further sharp acceleration with the real changeover to a market track, it's the needy segments of the population, the people whose earnings fall below the subsistence minimum, who have it the hardest. Specialists have yet to agree on the monetary size of that minimum, but in any case, they do not set it above 125 rubles per person at the present time. But even that sum is beyond the wildest dreams for many of our fellow citizens. What an unprecedentedly heavy burden of problems and overstressed nerves we have to contend with on the road to a decent life, when almost a third of the population in Belorussia today finds itself below the poverty line. Of those, about half are pensioners, a fourth are members of large families, and the remainder are members of young and single-parent families, students and others.

Georgiy Badei, chairman of the republic State Committee on Labor and Social Questions, stressed that, in order to soften the consequences of the changeover to a market for this category of the population, a draft Belorussian SSR Law: "On Social Protection for Needy Citizens" has been drawn up. A number of special laws on pensions and on protection of the rights of the disabled will also be adopted.

Just how will the compensation mechanism work in offsetting rising prices? That question was asked often, in one form or another. After all, the new, negotiated wholesale and state-purchasing prices will naturally

require revision of the retail prices for goods and services. Since the program for the Belorussian SSR's changeover to market relations provides for continued state regulation of prices on bread, baked goods, meat, milk, fish, vegetable oil, sugar, potatoes and vegetables, the intention is to compensate the public fully for the impact on their earnings from a possible one-time jump in the prices of these products.

But on the whole, the mechanism for social protection against an unimpeded rise in prices provides that the public's income (pay, pensions, allowances and stipends) is fully indexed within the limits of the subsistence minimum.

Boris Makeichenko, vice-chairman of the Belorussian SSR State Economic Planning Committee, cited an example. Residents of Minsk consume 175 grams of bread a day, while residents of the republic consume more than 500 grams, on average. What does that tell us? It tells us that bread is so cheap that about half of it is fed to livestock in rural areas. Higher prices will make buyers take a more sparing attitude toward foodstuffs. And they will make food producers cut their costs and make do without subsidies from the state.

Georgiy Badei, chairman of the republic State Committee for Labor and Social Problems, gave a graphic depiction of the situation. It costs five rubles to produce a kilogram of meat. It sells for two rubles, and the farm gets three rubles from the state in the form of a subsidy. But that means that whenever a person comes to Belorussia and buys a kilogram of meat—and a considerable amount of food is taken out of the republic—the republic puts another three rubles in the purchaser's pocket, as it were. So wouldn't it be better to give those rubles to local residents by forcing the outsiders to also pay full price for the products they buy? In a word, the mechanism of prices and compensation serves above all to protect the economic interests of the republic's citizens.

Incidentally, let's turn the floor over to the meeting's participants, highlighting the most important and interesting questions.

[Question]—It is claimed that the program for the changeover to the market is aimed at getting producers to take a more active interest in the business. At the same time, the Belorussian SSR Council of Ministers recently adopted a resolution that actually limits the economic freedom granted by the Law on the Enterprise.

[Answer]—It's a fact that use of the wage fund has been made dependent on the growth of output. The framework of that mechanism is sufficient to stimulate production but also to bar unwarranted pay increases. In the transitional period, when the system of monetary circulation is in disarray, the government also needs to take some unpopular measures to put finances on a sound basis. In particular, it has to limit wage increases. That is unavoidable.

[Question]—USSR President M. Gorbachev maintains that the question of private property in land should only be solved by the people, in a referendum. Russia, it appears, has made do without a referendum. What is the Belorussian government's view of the problem?

[Answer]—We proceed from the premise that the land should be given to agricultural producers for use in perpetuity, with right of inheritance. That applies to peasant farms, homeowners' land allotments, and dacha plots. We don't rule out the possibility of transferring land to private ownership, with the right to sell or give it to someone else. At present, however, we lack the necessary institutions for the privatization of land—such institutions as a land bank and a cadastral assessment of each piece of land. There are also the descendants of former landowners who are still among the living and who pose quite a few problems. In short, the government is not prepared at present to resolve the problem in final form.

[Question]—Why has such a lamentable situation developed in the republic's food markets?

[Answer]—Belorussia, more than any other republic, has felt the effects of overheated demand. That might possibly be explained by its geographical location. It is a fact that we have experienced the country's greatest trade growth. Meanwhile, the republic has sufficient resources to ensure normal supply. Just one example.

In the past, the statistically average Minsk resident consumed not more than one and a half kilograms of flour every three months. At present, he consumes about three and a half kilograms. Supplies are adequate to provide every resident with as much as eight kilograms! But even that, apparently, will not be enough. It's annoying when the mass media exacerbate the situation with headlines of the type: "Minsk Residents Are Seeing Goods at the Old Prices for the Last Time." The Ukraine has completely met its obligations for deliveries of sugar and vegetable oil. The republic produces all other foodstuffs—eggs and meat included—in adequate quantities itself. In short, every possibility exists for normal trade—given sensible improvement in the ration-coupon system, obviously.

[Question]—Are the subsidies to collective farms and state farms being maintained? Isn't a drop in agricultural output expected in the republic in connection with the withdrawal of contaminated land from production?

[Answer]—The new state-purchase prices for agricultural output fully cover the collective and state farms' costs and ensure a profitability level of approximately 35 percent. Therefore, agriculture will enjoy no subsidies whatsoever in the future. The same is true of the processing enterprises. But since the prices on material and technical resources will obviously rise, the government intends to provide the peasants annual compensation for their additional expenditures, thereby maintaining parity.

The republic's Chernobyl program costs about 17 billion rubles and is basically financed out of the Union budget. There will be no drop in the republic's production of meat, eggs and other basic foodstuffs. A small drop in milk production is possible, but a significant cutback in deliveries to Union stocks will enable us to maintain the level of consumption.

[Question]—What is the fate of the State Bank bonds that are to be issued for the purchase of expensive goods such as automobiles and refrigerators?

[Answer]—The loan is being issued by the Union government, which also guarantees delivery of the goods in question. It is a known fact that the automobiles will be sold at the prices in effect when the sale is consummated, while all other goods will be sold at existing prices.

[Question]—And are republic residents threatened with unemployment?

[Answer]—In actual fact, it already exists. In Minsk alone there are about 120,000 people out of work at present. But the government's stand on the matter is to forestall unemployment, promote job-placement, and help citizens who have temporarily lost their jobs. A Belorussian SSR law: "On Employment" now exists in draft form. A state employment service has been set up in all cities and rayons. Preventive measures include the creation of new jobs (including self-employment with the help of interest-free loans), widespread use of reduced work hours, and employment in the service sector. On the whole, the press conference proceeded and ended on a positive note. It was stressed that at present the republic is doing everything possible to boost consumer-goods output. In the coming year, the republic's industry will increase its consumer-goods output to almost 24 billion rubles, putting into production about 150 articles that are in short supply, and 160 that we now import from other regions. The reserve capacity of light-industry enterprises, which is now being utilized at a level of 60-85 percent, will be put to fuller use. To avoid future interruptions in supplies of materials, resources and raw materials, high government officials and brigades from the republic State Committee for Material and Technical Supply and the State Economic Planning Committee have visited more than 30 oblasts in the Russian SSR.

A final question—straight to the point, as they say—caused a stir and elicited smiles from the audience: Can the government promise the people that, as a result of its program, it will be able to saturate the market and eliminate the shortages by the end of 1991?

Unfortunately, one couldn't help thinking, the thing that interests people the least today are promises and predictions, even of the most optimistic sort. At the peak hour for consumer demand—at seven o'clock in the evening, after the press conference had ended—we went into a big, prestigious food store on Lenin Prospekt and found it terribly empty. Sardines and Malys (Youngster) baby

food in the meat and dairy counters, a bottle of koumiss, and a small line of tired people at the coffee-dispensing machine.

Programs for Transition to Market Economy Discussed

Moscow City Official

914A0151A Moscow *VECHERNYAYA MOSKVA*
in Russian 2 Nov 90 p 2

[Interview—special to *VECHERNYAYA MOSKVA*—with Nikolay Pavlovich Shevelkin, candidate of economic sciences; administrator of affairs, Moscow City Executive Committee, by Yu. Bersenev, TASS correspondent: "Concept for the Capital"]

[Text] The plan formulated by the Moscow City Executive Committee for the capital's transition to market relations presupposes profound structural reforms of socioeconomic relations and the production sphere, financial normalization, cardinal decentralization of management and the demonopolization of production with the clearly defined division of rights and responsibility at all levels.

After the program was first presented at a sitting of the executive committee in which heads of Moscow City Soviet permanent commissions and chairmen of rayon executive committees participated, it was submitted in edited form for broad discussion. The capital's deputy corps and leading specialists in various branches of the national economy will take an active part in the discussion. At meetings with voters and through the press, radio and television, they will acquaint residents of Moscow with their conclusions and will comment on the program's principal sections in detail. The TASS correspondent's questions about this document and the principal stages of its realization are answered by N. P. Shevelkin, candidate of economic sciences; administrator of affairs, Moscow City Executive Committee:

[Bersenev] Nikolay Pavlovich, the first and probably most important point: after the publication of the "Basic Course," on which the president reported to the union parliament, was not the work on the Moscow program in vain? After all, as far as I know, it was based on the Shatalin-Yavlinskii program.

[Shevelkin] Unfortunately, the "Basic Course," for which they are criticized, is a document that is of a too general, declarative nature. It does not examine the mechanism of movement toward the market. Thus, while this document is of little help in solving concrete problems, let us say directly, that it also does not cause particular harm. In other words, our hands are not tied and that is the most important point.

[Bersenev] If that is so, what distinguishes the Moscow program from the Russian program? Is it not simply an abbreviated version of the latter?

[Shevelkin] Conceptually, there is no difference between them. Our program, on the one hand, is a kind of working plan for the implementation of the Russian plan, while on the other hand it is really the conception of the capital's transition to the market, which, of course, has its own specific features compared with other regions. I would like to emphasize that the Moscow program is ahead of the Russian program in many respects. Our program, for example, also contains the mechanism for realizing many provisions.

The point is that we have already developed a large system of norms. Back in May, when the new executive committee was just beginning to form, we outlined a detailed working plan of preparations for transition to the market and within its framework we drafted a number of documents connected with the privatization of property, with land tenure in the city, and with the creation of a market for housing and for nonresidential buildings. As is known, the first session of the Moscow City Soviet adopted a number of fundamental decisions that formed the basis of the work on the program. Deputy commissions are also working actively. And much that was planned has already been done: a commodity exchange has been opened, a labor market is forming, and a network of commercial banks has been established. Many normative documents—legal, administrative—have been submitted to the Moscow City Soviet for examination, editing, and approval.

[Bersenev] If we talk about the conception, what would you say is its most important feature?

[Shevelkin] First of all, the question of the attitude toward various forms of property, including private property. Our program gives a precise answer to the question. Incidentally, concerning private property. We long ago lost our fear of this word, whereas in our opinion there is a certain fear of it at the government level.

I repeat: In market relations, the question of private property is the dominant question. Even if the center makes some half-way decisions on this score, the road to the market is nevertheless irreversible. And in this case we are free to form market structures, to create conditions for free entrepreneurship.

I do not think that any decrees and orders from above will be able to hinder us. We have decided to privatize trade, public catering, and everyday services. Is it a sin if Moscow is ahead of the rest of the country? That is normal. The capital's experience will also be useful for other regions.

[Bersenev] The longer questions associated with the transition to the market are debated, the farther will the commencement of concrete actions be put off.

[Shevelkin] The starting line will be put off—this is indisputable. But the basic stages of transition to the market remain. We in principle define three stages. The first—which runs to roughly the middle of next year—is

the beginning of denationalization and privatization of industry, construction, transport, the agroindustrial complex, trade, public catering, housing, everyday and municipal services, and other branches. A market infrastructure (city labor, stock, commodity, capital, securities exchanges, etc.) is being created. The sale of property—some state cars and trucks, uninstalled equipment, construction materials...—to citizens should be organized in parallel. We plan to terminate the payment of subsidies to enterprises, except for a limited number included in the coordinate I list.

During this period, the normed distribution of food may be introduced; a system of income indexing is being developed. Financial normalization requires concrete actions to raise interest rates on savings bank deposits, to increase the sale of some state property and apartments to the population, to build garages, and to render insurance services.

All this should seriously alter the general situation in the city's economy and facilitate the liberalization of prices, the elimination of the budget deficit, and the improvement of the situation in the consumer goods market. This is the second stage which is scheduled for the second half of next year. The basic task is to free up prices on a broad range of technical producer goods and consumer goods and services and to restrain inflationary processes with the aid of the means of financial and credit policy. During this period, firm state prices will be retained on no less than one-third of the primary necessities that determine Moscow residents' subsistence minimum. At the same time, the scale of destatization and privatization of small enterprises will expand and the market infrastructure will develop intensively.

According to our calculations, the market will stabilize to a certain degree at the end of 1991. Up to 20-30 percent of the fixed capital in industry and more than half of the fixed capital in trade, public catering, and consumer services may be transformed into joint-stock capital, sold, or leased out. Crisis phenomena caused by the dismantling of the administrative-command system, price instability, and the restructuring of economic relations may intensify. Dramatic expansion of the housing market and price reform can become stabilizing factors. State controls must be removed from approximately 70-80 percent of the goods and services by the end of the coming year. This will create prerequisites for the stabilization of the economy on the basis of the full-fledged entry of market structures onto the proscenium.

The forced formation of the competitive market environment necessary for the full-fledged operation of self-regulatory market mechanisms must take place in 1992.

[Bersenev] But all the same, honestly speaking, such a tight time schedule causes doubt. Can such contradictory processes be made to fit a Procrustean bed of "500 days" or 1-2 years?

[Shevelkin] We must try. Otherwise it will be even more difficult to heal our economy. But, of course, plans and

decrees are not all-powerful. For example, we cannot declare that we will make the transition to the market before 1 March. All processes must take place in parallel, a market structure has to be created and this requires untying the enterprises' hands and simultaneously undertaking all measures to stabilize the economy. It is important what kind of measures they will be! If they call for raising or freezing prices and for freezing wages, as is the case in the government program, this is one approach. We have already gone through all this and all this has led to the growth of inflation and ultimately, to the lowering of the living standard.

[Bersenev] Measures for the social protection of Moscow residents must be thought through all the more carefully.

[Shevelkin] This is probably the most important thing. It will obviously be necessary to institute rationing so that people, especially poor people, will not suffer from the rise of prices in the consumer goods market. There is also the possibility of using Moscow checks: we have not taken them off the agenda yet. Income indexing, direct financial support based on state budget funds, the guaranteed level of medical care, and other measures will unquestionably relieve the pressure of the transitional period. These questions will be addressed by a session of the Moscow City Soviet and I do not exclude the possibility that key, fundamental issues will be submitted for the population's discussion.

The difficult road that lies ahead can be successfully negotiated only with the consolidation of all forces, which requires everyone's conscientious labor and a certain measure of self-control and calls for purposeful everyday work. Above all, we must not forget the main goal: the cardinal restructuring of the economy, the enhancement of its effectiveness, but at the same time we must lighten the load of those who need our aid and support.

Ukrainian Officials' Press Conference

914A0151B Kiev RABOCHAYA GAZETA in Russian
11 Nov 90 p 2

[Article by A. Kovtun: "According to Its Own Scenario. Notes From a Press Conference at the UkSSR Supreme Soviet"]

[Text] The Ukrainian Supreme Soviet discussed the Conception and the Program of the Republic's Transition to the Market for almost a week, while to be sure, being distracted from time to time in connection with the election of the premier and other routine questions. The documents were finally approved. A press conference was held in this connection at the Supreme Soviet. V. M. Pilipchuk, chairman, Commission on Economic Reform and the Management of the National Economy; V. I. Antonov, first deputy chairman, State Committee for the Economy; and A. S. Yemelyanov, UkSSR people's deputy; corresponding member, UkSSR Academy of Sciences, were present at the meeting which was attended by Soviet and foreign journalists.

All information has three meanings, three truths: the message itself, the reason for the message, and what is behind what is said. There are no exceptions. And so, news of the first order: the republic will make the transition to a common-sense economy according to its own scenario. It possibly does not enthrall the imagination as much as the "500-day" plan which is attractive for the precision of its schedule: the "100th day, the 300th day..." The Shatalin-Yavlinskiy program is so well liked specifically because of these almost hourly "stages of the great road": many people support it even though they do not understand the economic mechanisms.

The Ukrainian delegation, which included representatives of both parliament and the government, was introduced to union (government and "500-day") programs back in the stage when they were being created. The main shortcoming of both of them is that they are "overcentralized." That is, the basic levers of "management"—the banking system with the issuance of money, pricing, and foreign economic activity—must be regulated by the union government. But after all, the situation in the Ukraine is entirely different from the situation in the Urals, for example, and is entirely different from the situation in Uzbekistan. What is more, in the opinion of Ukrainian economists, even the more progressive "500-day" program does not block the channels of money not backed by goods that exerts pressure on the market. The sum of "empty" money in the Soviet Union is approximately 500 billion rubles.

At the time the union programs were being developed, the republic's parliament adopted a Declaration of Sovereignty and a Law on Economic Independence. Thus, the need arose [for the republic] to create its own program for making the transition to the market. It proved to be considerably more radical than union programs of which only the "Basic Course" finally remains. And there have been several steps forward with respect to the Law on Economic Independence. We recall that the declaration states that the Ukraine may introduce its own monetary unit if necessary. These words have evoked considerable objections.

Why We Need Our Own Karbovanets [Ukrainian word for ruble]

Our own money affords the best protection of the consumer goods market without ration cards and coupons. This is an economic rather than a political or arrogant step. This is what advocates of the karbovanets believe.

Everyone—from the woman living on a pension to the minister of finance—is disturbed over the declining purchasing power of the ruble and rising prices. This means that our economy is producing very few goods and is investing too little in the production of Group 'A' goods. It is for this reason that the ruble has "shrunk" to 22 kopecks since 1961: this is the part of the ruble that is backed by goods. Incidentally, some economists consider this figure too high. After all, 29 billion rubles in

"empty" money have been issued in just nine months of the current year. Can the emission of money be prohibited? It was declared that the republic could bolster the emission of new money with goods. But this is impossible under the conditions of an open internal market. After all, goods will be shipped outside the republic and "wooden" rubles will flow into the Ukraine in exchange: the press that prints them is turned on in the center. The republic is also far from enjoying optimal conditions in another respect: the purchasing price for top grade milk in the Ukraine is 760 rubles; for meat—360, compared with 1100 and 590 rubles, respectively, in Russia.

And finally, why should we send 60 percent of our taxes to the union budget. "There is not a single colony that knows such robbery," V. M. Pilipchuk declared.

Steps Toward Privatization

One of the main tasks of the republic government is the creation of its own banking system so that all foreign economic operations would be conducted through Ukrainian banks, so that currency earned by work collectives would not accumulate in the center—it is needed, e.g., for the development of the republic's light industry.

Following this, it will be necessary to create our own tax system without federal tax: that is, the republic should pay for the maintenance of union structures only the sums for programs and functions that our people need. The next stage is denationalization. During this period, it is necessary to "hold prices" to prevent them from rising. The mechanisms are known. For example, for exceeding the price, the sum of the superprofit is taken away in the form of a fine. At the same time, denationalization and privatization are being carried out on a preferential basis because 200 billion rubles' worth of fixed capital must be sold, but there are only 100 billion rubles on deposit in the republic's savings banks. Therefore another way of buying state capital simply does not exist. And indeed, the state is in debt to the people. For many years in a row, the system underpaid the very same worker, teacher, scientist, and collective farmer. Thus part of the money that is not backed by goods is "tied up."

When 50 percent of the capital has been denationalized, it will be possible to talk about entering the market because the market is above all competition that originates when at least half of the property has been destatized. If this is done, the republic will have its own currency and will cut off money to the shadow economy not only in the Ukraine but all throughout the entire union as well. The majority of people are left with no spare money, only current payments. By regulating the latter, inflation can be prevented. Prices are "released" and they naturally jump. But people have considerably less money and therefore not all the goods are purchased. In order to return the funds expended on their production, producers must take credit which is now becoming expensive and disadvantageous. Therefore as expected,

prices will begin to fall. But if prices are released not they will rise 10-12-fold and denationalization may fail: who will hasten to buy stocks if the need is for the bare essentials. In the given instance, it is necessary to resort to strong authority. If the Supreme Soviet is the as yet the place where more of the debating—not all of which is substantive—goes on, the Council of Ministers should not turn into something similar. Specific people must be answerable for the decisions that are made. Accordingly, the deputies' program for transition to the market economy calls for replacing the collegial Council of Ministers with a Cabinet of Ministers that would be headed by a premier capable of altering the structure of the national economy.

Equally or Justly?

One of the questions among those that have arisen is: how to carry out denationalization and privatization and how to provide equal starting opportunities for all. On the one hand, the people are fed up with leveling. Indeed, does overall justice exist in the economy?

The Commission on Economic Reform and Management of the National Economy proposed the following denationalization system: the division of capital to be denationalized among the republic's inhabitants. Each of us is due approximately 4,500 rubles. After paying only 960 rubles for them, we receive a certificate for the entire sum that we can use to buy stocks. Pensioners, invalids, and orphan children will be able to receive only a "gratuitous" share without redemption.

Of course, the specialists did not arrive at such a system all at once. There were other proposals. Professor Timofeyev, in particular, estimated that there would be 242 "unpaid" rubles for every year worked. Pensioners will fare best under this system. But the material assets were created not only by those who are presently working, but also by those who are no longer in this world. And everyone worked differently. Here is what is interesting: if all of the Soviet Union's capital that was created *inter alia* on the basis of our taxes were divided up, the result would be 12,000 rubles for every inhabitant of the nation. What is more, inhabitants of the Ukraine could own 86 billion rubles' worth of capital outside the republic. At the same time, enterprises under union jurisdiction would not be averse to buying out union ministries that are hastily changing their signs, that are called concerns and associations, and that dream of replacing administrative dictatorship with an economic noose because according to their scenario approximately 90 percent of the stocks of defense industry enterprises could be union capital. And so, parliament proposes a "null variant": what is on our territory is ours. And that is all.

And What of a Union Contract?

This question unquestionably could not fail to arise especially because the creation of our own market also envisages its protection. Neither the parliament and least

of all the republic's government plan to wage economic war. We think that many intelligent politicians capable of conducting the dialog will be found both in the Ukraine and in the center. Incidentally, V. I. Antonov calmed those in attendance by saying that the union government realized perfectly well that the principal decisions would be made by the republics. And there is nothing seditious here: the president himself confirmed that we need a union of sovereign states. And an economic community. The republic does not intend to erect artificial barriers. Its sovereignty will not strike at economic relations: just as other republics have enjoyed Ukrainian manganese, metal, and agricultural produce, they will continue to enjoy them. But we will not simply deliver them, we will also sell them. These are normal economic relations. They exist only when they are mutually advantageous. At present, the republic exports over 50 billion rubles' worth of products [outside the republic] and imports 3-5 billion rubles' worth less. There are indeed products that we cannot get along without: oil, lumber, nonferrous metals. Well, we will buy them. That is normal. But normal relations with each republic, even with individual enterprises must become the political basis. Not through the center, but without intermediaries, because contracts have already been signed with Belorussia and the Russian Federation.

At any rate, that which was discussed entirely officially at the press conference was to a significant degree at odds with the president's last ukases, in particular, the ukase on responsibility for repudiating old economic relations with suppliers.

And, finally, let us return to what the material started with. What was said is now clear. Why all this was said is also clear. The fact of the matter is that parliament's economic program needs the people's support: the people must be acquainted as widely as possible with it.

But what did participants in the press conference not say? What alarms them? The republic does not yet have a premier. Who will occupy this highest economic post? The need is for a person who would accept this program of transition to the market and begin carrying it out. If it happens otherwise, the transition to a market economy, to a common-sense economy will not take place or will be too arduous. It seems to me that this fear is the third truth that alarms everyone.

Ukrainian Decree on Economic Concept

914A0162B Kiev PRAVDA UKRAINY in Russian
16 Nov 90 p 1

["Decree of Ukrainian SSR Supreme Soviet: On the Draft Concept and Program for the Transition of the Ukrainian SSR to a Market Economy"]

[Text] Having discussed the report of the Ukrainian SSR [Soviet Socialist Republic] Council of Ministers and the co-report of the Ukrainian SSR Supreme Soviet Commission for Questions of Economic Reform and Management of the National Economy on the drafts of the

Concept and Program for the Transition of the Ukrainian SSR to a Market Economy, the Supreme Soviet of the Ukrainian Soviet Socialist Republic decrees:

1. To basically approve the provisions of the Concept for Transition of the Ukrainian SSR to a Market Economy submitted by the Ukrainian SSR Council of Ministers and to publish it in the press.

2. The Ukrainian SSR Council of Ministers and commissions of the Ukrainian SSR Supreme Soviet, when developing drafts of laws and legislative acts of the Ukrainian SSR pertaining to questions of socioeconomic development and management of the republic national economy, are to adhere to the Concept and Program for Transition of the Ukrainian SSR to a Market Economy, taking into account the remarks and suggestions made by the commissions and people's deputies during their discussion.

[Signed] L. Kravchuk, chairman of the Ukrainian SSR Supreme Soviet, Kiev, 1 November 1990

Ukraine's Fokin on Rationing Measures

914A0119B Kiev PRAVDA UKRAINY in Russian
28 Oct 90 pp 1, 3

[Interview with V.P. Fokin, deputy chairman, UkSSR Council of Ministers; chairman, UkSSR Goskomekonomika, by Ukrinform correspondent: "The Consumer's Booklet: A Blow Against Speculators"]

[Text] The UkSSR Council of Ministers adopted a decree: "On the Protection of the Consumer Goods Market in the Ukrainian SSR."

At the request of an Ukrinform correspondent, V. P. Fokin, deputy chairman, UkSSR Council of Ministers; chairman, UkSSR Goskomekonomika [State Economic Committee], comments on this government decision.

[Fokin] Of all the urgent tasks pertaining to overcoming the deep economic crisis, to the stabilizing the national economy, improving people's living conditions, and restoring their faith in the capability of organs of power, the normalization of the situation in the consumer goods market is most important. Store shelves are becoming barer literally with each passing day. That which could freely be purchased only yesterday is placed in the scarce category today. And this at a time when industry is increasing the production of consumer goods (to be sure, to a lesser degree than planned) and agriculture has produced a bumper crop.

The reasons for this situation are known. The main reason is the imbalance of the consumer goods market due to the relatively more rapid growth of the money incomes of a certain strata of the population (in nine months, they increased by 14.4 percent throughout the nation, while the projection for the year was 7.1 percent) compared with consumer goods production, which increased by approximately seven percent. Today there

are three to four rubles of income for every commodity unit ruble. The growth of demand has been skillfully exploited by speculators, by operators in the shadow economy who are getting rich as a result of the scarcity and are doing their utmost to exacerbate it.

The mass exportation of goods—several billion rubles' worth—to other republics and to foreign countries is working to the considerable detriment of our consumers. Ill-conceived proposals that are made from time to time by the union government to raise retail prices, rumors of monetary reform, and certain other factors promote speculative demand and its evolution into panic demand. Under these conditions, all attempts to organize the sale of goods on the basis of coupons, vizitkas [residency certification], and passports has not produced positive results.

A situation has now developed in which further retreat is impossible. The way out of the crisis lies in adopting fast-acting, unconventional measures. In my view, the republic's consumer goods market could best be protected by the adoption of our own, Ukrainian currency, and this proposal is already the subject of serious discussion. But its introduction is not a simple matter and will take a certain amount of time. Therefore, an idea—which the decree adopted by the government is intended to realize—was intended to improve the situation in short order.

[Correspondent] Vitold Pavlovich, please describe its [the decree's] content in greater detail.

[Fokin] In accordance with this decision, as of 1 November the sale of food and nonfood commodities as well as technical products will entail the use of a consumer's card with coupons.

Consumer durables, in particular, furniture, motorcycles, launches, yachts, video tape recorders, radios, musical instruments, rugs, cars, jewelry, standard houses, and sets of parts for them, etc., with a value in excess of 1500 rubles will be sold for Sberbank [Savings Bank] checks and will be sold exclusively to the republic's inhabitants without a consumer card.

Goods will be issued without cards to public catering enterprises, bookstores, Soyuzpechat kiosks, commercial and commission stores selling nonfood commodities, drugstores, and auctions; as well as for construction materials for rural housing construction by persons building their own houses and for home fuel. The same payment procedure is established for flowers and souvenirs, for all purchases with a value under 20 kopecks, and also for all types of services.

[Correspondent] So, in addition to money, we will now also have to bring a consumer's card to the store. Where can it be obtained?

[Fokin] Consumer cards with coupons will be issued to all working citizens, pensioners, invalids, students, and technicum and vocational-technical school institution

trainees once a month when they receive their money incomes in the amount of 70 percent of the sum remaining after taxes and other mandatory payments.

Persons working outside the republic (on watch assignment or on official foreign business trips) and persons who are temporarily unemployed will receive consumer cards in accordance with a separate instruction.

Persons engaged in individual labor activity will receive cards from executive committees of local Soviets of People's Deputies also in the amount of 70 percent of net income after income tax has been paid.

I note that in the case of money incomes under 70 rubles a month, the consumer card that is issued is for 50 coupons regardless of income size. Coupons are not issued at all for income in excess of 800 rubles with the exception of money incomes paid for delivered stock, swine, agricultural produce, and raw materials. And there are also the following details: consumer cards are, naturally, valid only in the Ukraine and only for six months. The coupons that are part of them are not valid when detached.

I want to emphasize, as you have already probably understood, that the decision devoted special attention to rural dwellers. I remind you once again that persons delivering stock, swine, potatoes, vegetables, and other agricultural products to consumer cooperatives and state trade will receive coupons for the entire value of delivered products and without restriction on the sum. Construction materials and, of course, home fuel—coal, briquettes, and firewood—will be sold to rural dwellers without coupons for cash.

Of course, in this interview we will not be able to describe all the features of the newly introduced system of trade in detail. But at a recent meeting held at the UkSSR Council of Ministers, we instructed the heads of executive organs of the local Soviets, trade organizations, consumer cooperatives, and the mass media to convey everything to the population in the minutest detail so that there will be no confusion among us from the very outset.

[Correspondent] Of late a number of republic oblasts have introduced various restrictions—trade based on [internal] passports, coupons for various types of goods, vizitki—to protect the interests of the local population. What is to become of all this now?

[Fokin] We recommend that all these forms of trade be abolished with a single exception: the ration coupon system will be retained for sugar.

[Correspondent] The introduction of the decree's measures will complicate trade operations somewhat and there will be other difficulties—foreseen and unforeseen. Are you certain, Vitold Pavlovich, that all this will be compensated by positive results?

[Fokin] We must act to radically correct the situation in the consumer goods market. We must act decisively and

energetically and not believe rumors that positive changes will soon be forthcoming by themselves. In my view, what the government has now proposed offers the last chance to balance money incomes with the commodity mass without raising retail prices. I want to emphasize this in particular so that everyone will understand. This is in the interest of the absolute majority of the population. We therefore count on people's understanding and support.

Who will be disadvantaged by the new system? Speculators, corrupt elements, and underground "dealers" [koreyki]. It can be expected that they will try to discredit the given measures. They are partly responsible for spreading gossip through cities and villages that goods are supposedly being held back in warehouses. All this is an obvious lie.

But as regards a certain measure of inconvenience, it will of course exist. It will be an additional burden to trade and bank personnel. But after all, you cannot accomplish anything using small means. At any event, in the proposed measures there is substantially less restriction, humiliation, mistrust, and separatism than in the "passport," "coupon" or other such trade. And no one is given obvious advantages. The availability of goods in the stores costs something!

[Correspondent] How will trade be organized at kolkhoz markets? Will sales there also involve the use of coupons?

[Fokin] I would call this a difficult question. We thought about this for a long time and concluded that if coupons are not used at the markets, there may be a sharp drop in the agricultural produce that is hauled to market and prices will be raised, thereby complicating the supply of the population. Therefore we resorted to an exceptional measure: to allow sellers who so desire to settle accounts with the buyer on the basis of tear-off coupons (without a card) on which a special stamp will be placed for the seller at the market. They can be used to purchase nonfood commodities in stores.

[Correspondent] As is known, the population very frequently uses such a form of services as postal money orders. Parents [use them to] send money to their children (students, pupils). Children [use them to] send money to their elderly parents. What is the procedure for issuing coupons in such cases?

[Fokin] If the money orders are within the republic, the sender submits coupons at the post office at the same time that he pays in his money. An appropriate note to this effect is made on the money order form. When the money order is received in the other city, the addressee receives money and coupons at the same time.

[Correspondent] Another question. How will coupons be used in making child support payments?

[Fokin] If child support is awarded on the basis of a court order, 100 percent of the coupons are issued. There are many cases in which child support payments are made

without a court order. If the payment is made by money order, I have already said how, and if payment is made in person, the coupons must be remitted together with the money.

The final point. A government order created a group of leaders and specialists that will continuously analyze the course of introduction of the new trade system and make the necessary corrections in it. I want everyone to understand that we are searching for ways of solving a difficult problem. It is probably not possible to take everything into account in good time. Some complications may also arise in the course of implementation of the government decision. Therefore if such a thing happens, we should not fan negative emotions around such facts. It would be better to submit a specific proposal to the aforementioned commission. It will take into account all constructive opinions, whatever their source, in its work.

Kazakh Deputy Chairman on Market Economy Program

914A0136A Alma-Ata KAZAKHSTANSKAYA PRAVDA
in Russian 9 Oct 90 p 3

[Interview with K. Turysov, chairman of the Kazakh SSR Council of Ministers, conducted by KAZAKH TELEGRAPH AGENCY correspondent G. Isakov: "Our Route to the Market"]

[Text] The working group for drafting the republic program for the changeover to a market economy has presented its draft program to the Kazakh SSR Supreme Soviet. Following its discussion and approval by the people's deputies, it will become a guide to action. After the conception of the changeover to a market was published, the government received many proposals and criticisms from the working people. The draft program takes them into consideration to the greatest extent possible. In an interview with a KAZAKH TELEGRAPH AGENCY correspondent, K. T. Turysov, chairman of the Kazakh SSR Council of Ministers, talked about the content of that document.

[Isakov] Karatay Turysovich, let's go right ahead and take the bull by the horns, so to speak. What is the essence of the program that has been worked out?

[Turysov] As we know, there is no alternative to the market. It is the main direction of radical economic reform leading to an increase in efficiency and well-being, a proven means of solving many burning economic problems. Without the powerful incentives and regulators, business activity and healthy competition that are characteristic of a market, we won't find any way out of the present crisis. Our own country's and the world's historical experience is vivid proof of that. What is important here is only to find rational ways to attain the end goal—the optimal entry into a socially oriented, efficient market economy that is capable of creating material living conditions worthy of a human being.

Therefore we believe that the following provisions of the draft program are of fundamental importance:

- consideration for the republic's real sovereignty in political, economic and social aspects;
- recognition of the need for the functioning and development of an all-union market, and the deepening of integration processes with other republics;
- the maximum freedom of economic subjects—enterprises and entrepreneurs;
- a high degree of social protection for the population;
- the clear delimitation of the powers of union and the republic, and the republic and the oblast, and the conduct of an effective regional policy.

That is why, despite the coincidence of goals and objectives in the union and republic programs, they also contain fundamental differences.

First of all, the specific nature of the republic's socioeconomic development has not been ignored. The draft reflects our own vision of the key problems of Kazakhstan's economy through the prism of its specific historical, sociopolitical, moral and psychological, ethnic and demographic, and also natural conditions and facts.

It seems to me that the results of the rather difficult work that has been done have been, on the whole, satisfactory: the program is constructive, and a system of coordinated measures has been created. But the main appraisal of it remains to be given by the parliament.

[Isakov] From previous press reports, one can draw the conclusion that the government envisages clear-cut stages in the transition to a market, and deadlines for them to be implemented. One would like to know how close the similarity is here to the Russian "500 Days" program?

[Turysov] The desire to stabilize and raise up the economy in the shortest possible time is understandable. But here, I think, one must take the actual state of affairs as one's point of departure, and not be guided solely by emotions and good intentions. An understanding of all the possible consequences of a drastic reorientation of the economy, the raw-materials orientation of the republic's industry, different starting conditions in different regions, and the inevitability of mistakes in practice prevent us from giving the people such optimistic promises.

We believe that the republic will move toward a market somewhat more slowly than the union as a whole, and that the transitional period, from every indication, will be significantly drawn out. There are a good many reasons of a general nature for such a cautious assessment of the pace of reform: the many factors involved in

the process, stereotypes in people's thinking, the instability of the political situation, and the lack of preparation on the part of personnel. We are disposed only toward carefully considered and well-substantiated proposals.

In other words, our path will consist of three stages.

The first will last until the end of this year. It provides for stabilization of the political situation, the strengthening of state discipline and law and order, and the lessening of social tension. Work on preparing and adopting a package of legislative acts providing for the changeover to market relations will be very important during this period.

In the second stage, throughout 1991, it will be necessary to provide for starting up the elements of a market mechanism, and vigorous efforts will be needed to stabilize the economy and restrain the decline in production. It is planned to introduce new prices and to subsequently liberalize them, to actively eliminate state control of the economy, and to carry out land reform.

The third stage, starting at the beginning of 1992, will be marked by the intensive development of the market sphere, the restriction of monopolistic activity, and the activation of structural and investment policy. And consequently, by the stabilization of Kazakhstan's socio-economic situation.

[Isakov] One would like to know just what, specifically, is included in the economic stabilization measures?

[Turysov] First of all, the restoration of financial health and normalization of money circulation and of the consumer market. We have all been convinced from our own bitter experience that it is necessary here to stop the further slide toward chaos and anarchy as quickly as possible. That means that it is necessary to do everything possible to maintain and strengthen economic ties for the stabilization of production.

More specifically, that means that the state budget deficit must be reduced right away, in the fourth quarter of 1990 and in 1991. And here we cannot get by without the auditing and review of all revenue and expenditure items in the republic and local budgets. Untapped reserves are seen in reducing capital investments and production construction, including facilities begun this year, by 20-30 percent. We must inventory and revoke all previously adopted investment programs that are not expected to yield any effect in the near future, and introduce one-year moratoriums on new budget programs and new subsidies. A fundamental reduction of expenditures for maintaining bodies of authority and administration is envisaged.

An important role in stabilizing the budget will be played by increasing revenues by raising the turnover tax through the priority development of pertinent production facilities and the introduction of such a tax on a broader range of products (shipped-out raw materials). A

substantial increase is anticipated in income from the sale of imported consumer goods at free prices.

In addition, special measures are envisaged to "tie up" the excess money in circulation, which according to specialists' estimates amounts to about seven billion rubles in the republic. The sale of bonds for the population and enterprises will continue throughout this year and 1991. It will be necessary to sell the fixed assets of trade, everyday-service, municipal-service and housing enterprises, small industrial enterprises, and also certain unfinished facilities and uninstalled equipment to citizens and collectives to be owned by them.

It will be necessary to broaden the practice of selling housing and stocks in enterprises to the public, and of allocating land for dacha and orchard-cottage construction, to be paid for on the basis of cadastre assessments. An increase is planned in the interest paid on long-term deposits in the Savings Bank. The practice of selling no-interest bonds to the public for the future acquisition of scarce items such as cars, color televisions, video cassette recorders, furniture, additional housing, and orchard cottages will be stepped up.

The principal source for normalizing the consumer market will be an expansion of our own production, an increase in the production of output at existing facilities, and the development of small enterprises. Changing the specialization of money-losing and relatively unprofitable machinery enterprises is especially important. The conversion of defense enterprises located within the republic is also important. The establishment of joint ventures with other republics and foreign companies for the production of consumer goods will be continued. The importation of consumer goods will be expanded, and in 1991 imports are supposed to already be increased to 10 percent of commodity resources.

In this connection, I would like to stress once again: it is absolutely essential to maintain existing economic ties, and to apply effective fines for the violation of agreements and contracts. Special measures are needed to provide for the precise and uninterrupted operation of transportation. The establishment of stabilization funds to provide financial assistance to enterprises that experience difficulties through no fault of their own will become important.

[Isakov] I will probably not be mistaken if I say that our readers are especially interested in how the elimination of state control and privatization of the economy will proceed.

[Turysov] The elimination of state control and privatization will be carried out through the selling of stocks, the leasing of property and the transfer of it to collective ownership, and the sale of state property to juridical and physical persons, including foreign ones.

As experience has already shown, the most effective way to eliminate state ownership of large enterprises is to transform them into joint-stock societies (companies).

Such a course is proposed, first of all, for the basic branches of industry. It is envisaged that several dozen facilities in the fuel and power, metallurgical, chemical, forest-products and machinery complexes, as well as large enterprises producing consumer goods, will be transformed into such companies this year and during the first half of next year.

[Isakov] At practically every step in the consumer-goods and services sector one feels the negative consequences of monopolistic practices by various enterprises and departments. How can that be eliminated as quickly as possible?

[Turysov] Antimonopoly policy will be carried out in several areas. It will include the dismantling of the administrative-distribution system at all levels and the establishment of parallel structures, in some cases by breaking up and diversifying production facilities. A role will also be played by the creation of favorable conditions for entrepreneurship and competition, and by clear legal guarantees of freedom of economic operation and, for consumers, of protection against monopolistic practices on the part of producers.

[Isakov] How do you see financial policy?

[Turysov] The fundamental principle will be the formation of the budget from the bottom up and the independence of lower-level budgets from higher-level budgets in the process of their development, approval and implementation. A republic, oblast, rayon, or city budget deficit will be covered by borrowing on the part of the political entity in question. In this connection, bodies of authority at various levels are not answerable to one another for their obligations.

Republic tax legislation will provide for three main taxes: taxes on turnover, on enterprise profits, and on citizens' incomes. All payments and deductions from economic subjects and juridical persons will go to republic and local budgets. The union budget will be formed through contributions by the republics, taking per capita national income into account.

[Isakov] And in this process, of course, a good many problems will arise along the way, will they not?

[Turysov] Yes, and they cannot be considered minor ones. After all, we are talking about the improvement of tax policy, the banking and credit systems, pricing, and foreign economic activity.

[Isakov] It is no secret that the population is very much concerned over future prices.

[Turysov] The republic will follow an independent prices policy, albeit one that is in with the country's general economic line. What is fundamental here is the fact that the Kazakh SSR utilizes a common monetary system with the other republics and follows common principles for the formation of prices in accordance with market laws.

Two options for setting prices are being proposed.

The first option proceeds from the premise that new procurement and wholesale prices are introduced. In this process, the prices for fuel, power, and raw-materials resources should be on the level of world prices, with a mandatory devaluation of the ruble. The introduction of new retail prices should proceed with the mandatory and full compensation for the population's losses.

According to the second option, it is considered possible to give up the administrative setting of prices and to switch completely to contractual prices for the entire list of producer goods and agricultural products, and to move to free market prices for all consumer goods. The only exception would be a small group of foodstuffs, the prices for which would be frozen throughout 1991, and which might be sold on the basis of ration coupons (meat, milk, sugar, vegetable oil, baby food). At the same time, or even in advance, it would be necessary to index people's incomes to the increase in prices.

I believe that healthy competition will contribute to not only the stabilization but the subsequent lowering of prices.

[Isakov] How, in practice, will members of the public be compensated for their losses in connection with the increase in prices?

[Turysov] Here a considerable role is assigned to the mechanism for indexing incomes. Our program differs from the union program in that we intend to introduce indexation simultaneously with the liberalization of prices, or even ahead of it. Otherwise, the pressure of prices on people's living standard will sharply increase. For the same reason, we also cannot allow a curtailment of social programs.

According to specialists' estimates, the minimum subsistence income in the republic is approximately 100 rubles a month. Nearly 5.6 million people live below that level. Just to raise their total average per capita income to the minimum subsistence level requires seeking about 2 billion additional rubles.

[Isakov] There's no denying that that is a difficult task.

[Turysov] Pensioners, large families, students, disabled veterans and other low-income segments should receive full compensation for the upcoming losses. For economically active groups of the population, only a lower limit is established for the increase in their earnings. They ought to be able to compensate for losses from inflation by increasing the productivity and quality of their work.

The use of social consumption norms is envisaged, which will serve as the basis for the development of various programs for improving life and of direct, specifically designated guarantees in the interest of low-income citizens. Pay reform, the implementation of the law on pensions, the social support of low-income persons, and a future new republic Code of Labor Laws will also become extremely important.

[Isakov] What, in short, are the characteristic features of employment policy?

[Turysov] According to specialists' estimates, the cost of living may rise, but social guarantees of socially normal living conditions will be provided for every person in order to prevent any substantial drop in living standards. This pertains, first and foremost, to the constitutional right to work. The state will provide rational employment, and the enterprises will support efficient employment through the optimization of jobs. A release of manpower will occur, but there is a tremendous field for its subsequent utilization in the republic. So far, there are 200,000 unfilled jobs.

It is planned to conduct employment policy much more actively than before. A draft law on that has been prepared and submitted to the Supreme Soviet, and a draft government decree on the establishment of a state employment service is being prepared.

Nonetheless, let me remind you that the market is a stern and demanding system. It creates a diversified regulation of motivation to work. On the other hand, in the event of temporary unemployment, state support along the lines of special funds is being proposed.

[Isakov] Many people are interested in the question of land. What is new there?

[Turysov] Diverse forms of ownership will be developed on the basis of new agrarian relations. The reform in this area will proceed from the premise that the land is the exclusive property of the republic and cannot be the object of private ownership and buying and selling. The right to control it will be granted to the local soviets. An increase in the efficiency of farming and animal husbandry is expected by virtue of the equal development of all forms of economic operations and peasants' increased material interest in the end results of production.

[Isakov] And how reliably will working people in the nonproduction sector be protected?

[Turysov] They require special attention, since market relations in that sector will be limited. Nonetheless, the norms and normative rates there will prove no lower than those oriented toward the all-union level and, in priority areas, toward world indices.

It would be a good idea to create nonbudget funds with the right of independent commercial activity: a medical insurance fund, charitable funds, funds for the development of individual spheres of culture and regions, social-initiative funds, innovation funds, special funds for the provision of information in the social sphere, and so forth.

To sum up what has been said, I want to emphasize: the strategy and tactics for the aforementioned transformations optimally combine organizational, legal and economic levers of regulation. The market, for all its complexities and difficulties, promises the entire people a life without administrative economic barriers, and broad

opportunities for independent and genuinely creative work. In short, healthy entrepreneurship for the strong, and guarantees for the weak.

Right now we all need to more rapidly assimilate commercial culture, and to strengthen implementation discipline. An effective influence here will be exerted by innovative searching, the ability to undertake justifiable risk, and philanthropic activity. But the main condition for success along the path toward the new economy is public accord and the consolidation of all nations and nationalities living in Kazakhstan.

Kazakh President on Republic's Economy, Transition to Market

914A0144A Alma-Ata KAZAKHSTANSKAYA PRAVDA in Russian 12 Oct 90 pp 1-2

["Report of N.A. Nazarbayev at Communist Party of Kazakhstan Central Committee Plenum"]

[Excerpt] Comrades!

As you know, a basic document summing up the 28th party congress was the resolution: "CPSU Policy in Implementation of the Economic Reform and Transition to a Market Economy." But as we have gone deeper into the essence and specifics of this matter, many complex problems, which increasingly disturb the public and evoke contradictory opinions and, at times, serious disputes, have arisen. The main thing today, perhaps, is not whether we should or should not have the market: there are no disagreements, in my view, on this score. The central problem is that of the paths by which we will move toward market relations and the methods by which to implement the new economic principles.

The CPSU Central Committee October Plenum, whose participants expressed the party's firm position, rejecting the radical method, which acquired the very apt name of "shock therapy," concluded its business the day before yesterday. We Communists cannot agree, even for the sake of obvious economic advantages and an acceleration of the reform, to jeopardize considerable numbers of the population and heap onto its shoulders all the inevitable burdens of the transition period. I believe that the plenum's decision was the right one. It also corresponds to the cherished aspirations of the people of Kazakhstan. In any event, it is this concern for people's fate and the fate of socialism that was expressed at the recent meeting in the Communist Party of Kazakhstan Central Committee by representatives of worker outfits of enterprises of industry, construction, transport, communications, and the processing sectors of the agro-industrial complex. For this reason we are obliged today also, examining the program of the Republic Government pertaining to transition to the market, to not only express our own attitude toward the proposed concept, but also formulate a position that makes it possible to reduce to a minimum the costs characteristic of any transition period and that corresponds as much as possible to people's needs and aspirations.

I am sure that this way is not utopian. The specific political and economic conditions under which Kazakhstan lives instill the hope of a relatively smooth and painless implementation of the reform. Such confidence is based on the generally acknowledged fact that the efforts of the Communists and all working people have preserved a stable social and political situation in the Republic. And this, in turn, will facilitate the turnabout of the economy toward man and his requirements. Thus political stability is a very important factor—fateful, I would say.

Approximately 80 percent of the national revenue used for consumption and accumulation was channeled last year alone into the accomplishment of social tasks. The production of commodities developed at a preferential rate compared with producer goods production. In four years the manufacture of commodities (group "B") rose 25 percent, whereas that of producer goods (group "A"), rose 15 percent. The manufacture of consumer merchandise increased by a factor of 1.6, and of consumer services for which a charge was made, by a factor of 1.7. We have succeeded in increasing meat production by one-fourth.

The inhabitants of Kazakhstan have also felt the results of social reorientation in investment policy. In the past four years 1.2 times more capital investments have been assimilated annually in housing construction and the social sphere than in the 11th Five-Year Plan. In the first quarter of this year the Republic fulfilled the five-year plan for the introduction of housing. It reached second place in the country in terms of this indicator, after Belorussia. More schools, preschools, hospitals, general clinics and clubs were built in four years six months than in the whole of the last five-year plan.

Conversion, the reprofiling of production subdivisions, the construction of new shops and bays at group "A" enterprises and the organization of joint facilities with foreign companies are making it possible to create the capacity for the manufacture of refrigerators, electric vacuum cleaners, computers, VCR's, home unit heaters, and other products.

Appreciable changes for the better occurred in the past four years in agricultural production also. Thus the average annual grain harvest constituted 25.93 million tons—22 percent more than in 1981-1985. The private subsidiary plots are producing an appreciable addition. It is gratifying, what is more, that their contribution to the common moneybox is growing from year to year. For example, in the present five-year period the average annual production of meat in dressed weight has constituted 441,600 tons, and of milk, 2,281,800 tons, which is considerably more than in preceding years.

However, an objective and critical analysis of what has been achieved testifies that we have failed to achieve the anticipated breakthrough in the solution of many urgent socioeconomic problems. Many of our shortcomings have played a negative part here, of course. The serious

malfunctions in the economy of the country, as a whole, could not have failed to have been reflected in the normal functioning of the Republic's national economic complex either. Critical situations take shape periodically in various sectors of this complex on account of the ruptures of horizontal relations between republics in respect of supplies, which takes its toll particularly on the manufacture of consumer goods. Thus, in the fourth quarter we are not insured against stoppages of textile, footwear, garment and knitwear enterprises. One out of every three of the Republic's light industry enterprises has already cut back on the manufacture of products for these reasons. Imported yarn, wool, dye, cotton, cardboard, synthetic fiber, and artificial fur supplies have ceased. Latvia, Estonia, the Ukraine, Belorussia, Georgia, and the RSFSR are failing to abide by their commitments. In turn, this is reflected also in intersectoral relations within the Republic—the number of enterprises disrupting contracted supplies is growing in our republic also.

Many faults are occurring as a consequence of the ill-considered nature and inconsistency of the decisions adopted by the USSR Government, the loss of control of economic processes, and serious miscalculations in the pursuit of monetary and financial and credit policy. Monetary emission in respect to Kazakhstan has increased this year and has amounted to R1.2 billion, which is roughly equal to the extent of emission for 1986-1987 put together. In nine months of the current year wages increased compared with the corresponding period of last year by 10 percent, whereas derived national revenue grew only 0.7 percent.

An escape from the current situation is possible only given the accelerated implementation of a set of interlinked measures pertaining to the formation of a socially oriented market economy. The time for gradual transformations is exhausted.

We all need to clearly recognize that it is a question not of another cosmetic reform in the economy, of which there have been many in recent years, but of a fundamental change, in Lenin's words, "in our entire viewpoint concerning socialism." For this reason it is important to analyze the program of transition to the market comprehensively and scrupulously and weigh all its pluses and minuses. Our position must be clear, scrupulous, and consistent. We cannot permit transition to the market to result in unpredictable political and socioeconomic upheavals and a deepening of the crisis phenomena.

Our terms of reference are to explain to people that the market is not only a question of prices. The market means primarily an efficient, man-oriented economy, people's highest interest in the results of their labor and, consequently, the genuine creativity of the working masses at large. It is the market, having made labor free, that will give man confidence in his future and in his children's future. For us it is clear now that it is only on

the paths of the market economy that we can conclusively have done with work by compulsion, monopolism, and wage-leveling.

And, finally, the market—and only the market—will make it possible to have done with such manifestations of the shadow economy as extortion, bribe-taking, and profiteering.

Understandably, the actions proposed by the government cannot be autonomous and divorced from the center and the other Union republics. We recognize the basic principles contained in the Union program. At the same time the Communist Party of Kazakhstan Central Committee, the Communists, and the Council of Ministers must seek to ensure that account be taken of the specific singularities of the republic connected with the structure of production, the financial situation, the food supply, supplies of consumer goods, the potential of foreign economic activity and other factors.

While moving in the channel of common agreed principles toward the market, it is necessary to make maximum use of our advantages: the availability of large amounts of land and mineral and secondary raw material reserves, favorable opportunities for the attraction of foreign capital and technology, and political stability.

The transition to market relations could bring about a steep decline in investment activity and a winding down of production in certain sectors of heavy industry and in truck transport. Considering the structure of the Republic's economy and the diversified nature of the majority of small- and mid-sized cities, it is essential to implement measures to neutralize or mitigate the negative consequences and to create a system of effective social shock absorbers and regulators.

A differentiated regional approach is required also by the evolved historical, psychological, and everyday conditions in which the working people of multinational Kazakhstan live and work. The more so in that approximately a quarter of a million persons are even today without work in social production.

The republic government concept says that "the state is the guarantor of the social protection of its citizens in the sphere of employment." It is not enough to declare state support here, I believe. It is necessary to provide for a program of measures for the stimulation of industries with a high level of provision with equipment capable of engaging the manpower surpluses.

The question of ownership of the land and natural resources and also the property on its territory is of fundamental importance for the Republic in connection with the impending transition to market relations. The Communist Party of Kazakhstan has already spoken on this score and will firmly pursue a policy of ensuring that the Republic become a real subject of ownership of the national resources located on its territory. We believe that enterprises of the base sectors should pertain to republic ownership on a noncompensatory basis. Only

on this condition is it possible to speak of an independent socioeconomic policy. There operates in the economy the elementary rule that whoever owns the main production capital and disposes of the resources controls.

We must give very balanced thought to questions connected with the transition to market relations of the agrarian sector of the economy, which is of considerable importance in our republic. We defined at a meeting this year of employees of the agro-industrial complex and the 17th Communist Party of Kazakhstan Congress the main directions of its development with regard for the fact that agriculture is the sector most responsive to the economic transformations. The peasant has always been close to the market. At the same time, however, the "Land Reform and Agrarian Policy" sections in the Union alternative programs of transition to the market have been developed extremely inadequately.

We believe that the immediate abolition of subsidies could lead to a reduction in the production of products that are sorely needed by society and to the bankruptcy of the majority of state cereals farms located in the risky farming zone.

In our view, it would be more correct were republic budget subsidies to be compensated via agreed prices by extra-republic consumers. This would afford an opportunity not only for ensuring state support for the farms under difficult natural-climatic conditions, but also eliminating the current paradoxical situation whereby the more the republic produces, the more losses it incurs.

Concern for the implementation of land reform should be assumed by the local soviets of people's deputies and their special commissions. Endowed with exclusive rights as the lessors of the land, they should accelerate the completion of a specific mechanism of the issuance and confiscation of land and supervision of its fertility and the amounts of ground rent and tenant charges. The Republic should go its own way also, I believe, in respect to the privatization of land. The essence of our approach is preserving the historically evolved traditions of Kazakhstan, where land has never been a subject of bargaining. The sole proprietor of the land should be the republic delegating this right to the local soviets of people's deputies.

Any restrictions in privatization on the remaining means of production, except for those transferred to Union ownership, are wrong. Adopting this position, we will accelerate the process of denationalization of the economy and the development of diverse forms of economic management. And such experience is accumulating in the Republic. The collective, cooperative, and private forms of ownership have become prevalent together with state ownership and collective farms and state farms, large-scale agrocooperatives and peasant and private subsidiary farms are operating on an equal basis in Dzhambul Oblast's Kurdayskiy Rayon, for

example. All this has created the basis for an upturn in the economy and social development.

A precise system of tenant farmer privileges in taxation and unrestricted access to credit and state compensatory payments and subsidies should be created in the agrarian sector.

We have to have direct subsidies and preferential credit for the modernization and construction of processing enterprises. Tax and financial and credit policy should effectively engage all economic regulators of the development of manufacturing industry and facilitate the introduction of progressive technology here.

Rural workers cultivated a good grain harvest this year, and 31 million tons already have been harvested. We are being assisted in the harvesting, as agreed, by the Russian Federation, the Ukraine, Moldova, and the Central Asian republics.

The population's potato and vegetable requirements have been satisfied in full. Some 2.4 million tons of potatoes have been procured thus far, and 1.4 million tons of vegetables. The final harvest is expected to be greater than planned. Meat procurements have been kept at last year's level and milk supplies will increase by a minimum of 100,000 tons.

However, much grain remains on the threshing floors. Questions of the completion of the preparation of public livestock for wintering have not been solved completely. The harvesting threw light on many bottlenecks, particularly in the provision of the population with vegetables and potatoes; despite the rich productivity of the fields, high prices in the stores have continued, and there were considerable losses of the harvest in the plantations.

Via the Communists of the countryside, the party committees need to influence more assertively the progress of procurements and organization of the wintering and to help draw conclusions for the future from the lessons of the harvesting. This would contribute to sound preparations for the transition to market relations.

The transition to a controlled market economy is putting the party organizations under conditions where the protection of the working people's vitally important social interests is not only of an economic but also of a political nature. And this is yet further evidence that the primary party organizations cannot remain aloof from the processes of formation of the new production relations. It is, after all, a question of property relations and a choice of forms of ownership and administration of the means of production and the results of labor affecting both the interests of the members of a given outfit and the interests of other working people. For this reason questions of pay, income distribution and the surmounting of wage-leveling tendencies, and the solution of problems of a socioeconomic nature, S&T progress, the organization of labor, assurance of social protection and the

economic education of the population must necessarily be within the sphere of influence of the party organizations.

It follows from this that the role of the primary party organizations in production life should grow constantly. As you know, the 28th CPSU Congress unequivocally advocated preservation of the production principle of the composition of the party. And any attempts to remove the party organizations from the workforce and other liquidationist manifestations should be perceived as a violation of democracy and an infringement of the political rights of the individual and his personal liberties. No one can prohibit the Communists having their own cells at the enterprises and in establishments and educational institutions. It is essential that they learn to struggle actively for their rights.

[passage omitted]

Kirghiz CP Secretary on Market Economy, Role of Party

914A0144B Frunze SOVetskaya KIRGIZIYA
in Russian 18 Oct 90 p 3

[Interview with Mikhail Ivanovich Paryshkura, Kirghiz Communist Party Central Committee member, by R. Khelinskaya: "A 'Partocrat' in Working Clothes"]

[Excerpt] When the word "conversion" firmly took its place in our vocabulary and many enterprises denoted by a number and a box number address became "open," we read in the papers precisely which "engineering plant" was led by Mikhail Ivanovich Paryshkura, Kirghiz Communist Party Central Committee member, who is known to far from all inhabitants of Frunze, inhabitants of the Republic even less.

I had been brought to the seventh floor of the Kirghiz Communist Party Central Committee building, where the leadership's offices are located, by an assignment of the editorial office: interview Central Committee Secretary M.I. Paryshkura.

Privatization "By Timetable"?

The first questions to the Central Committee secretary responsible for socioeconomic policy concerned what is disturbing everyone today—the coming market. What, in my interviewee's opinion, are the specifics of the transition to market relations in our Republic? What are seen as being the difficulties of this period?

"The specifics of the Republic's transition to market relations consist primarily of the raw material focus of its economy. As you know, we supply various regions of the country with wool, leather, hides, gold, mercury, and so forth. But it is no longer raw material, but rather finished products that produce the profit and revenue. The construction of enterprises of manufacturing industry is a principal economic task confronting the republic. This is the first thing.

"The second problem is the increase in the numbers of the unemployed able-bodied population and the lagging of the development of production behind manpower. Yet with the transition to the market, the percentage unemployed population will increase willy-nilly. And a further difficulty, what is more, is that the unemployed population is located, as a rule, where there is no industry.

"There is just one way out of the situation—the development of different sectors of production, cottage industry included, and the creation of leased and small businesses ensuring full employment. The creation of shops for the processing of agricultural products: primarily vegetables and fruit, is particularly important.

"However we propose and dispose, under market conditions the Republic will be obliged to live without subsidies and to feed itself. Can it? I believe it can, if we are able to balance raw material prices and withstand the initial difficulties. They are with us not only specific, republic, but also general, Union, difficulties.

"The absence as yet of a Union treaty and legislative instruments on the compulsory nature of interrepublic supplies, the exacerbation of interethnic relations....

"The Union is a single mechanism, and if there are breakdowns somewhere in one part of it, this is inevitably felt in another. I recently returned from Uzgen. Osh Oblast is now virtually without gasoline, and the annual supplies plan has been fulfilled only 40 percent. The supplier—the Fergana Refinery—is not primed. The reason is that it is not being supplied with the necessary quantity of oil by the RSFSR. An economic problem, seemingly. But in practice, a social and political one. When medicines and food simply cannot be imported for the children's hospital....

"Let us be frank, considerable problems await us. These include absence of the habit of enterprise and a shortage of personnel trained to carry out the economic reform. Transition to the market presupposes the operation of the enterprises and organizations without loss—otherwise they will go bankrupt. Far from all will be able to withstand the competition. Today, on the eve of the transition to the market, the economic situation in the Republic is complicated by the difficult financial position, the instability of monetary circulation, the acute shortages of goods and services and the imbalance in the population's income and expenditure."

[Khelinskaya] Many economists are advocating the denationalization and privatization of property, seeing this as a solution of very many problems....

[Paryshkura] I often think: Why are we so fond of extremes and of darting from side to side? Initially we stubbornly defended the need for public ownership, now—implacably also—private ownership, sometimes only private ownership. Both are necessary, I believe. Both state and private, collective and individual. This, in my view, is the start of the way out of the tunnel, out of

the blind alley in which we find ourselves, again on account of our liking for extremes. But the aspiration now to "universal" privatization is very reminiscent of the unchecked gravitation toward "universal" collectivization, of which we know. It remains, perhaps, to draw up a timetable of privatization.... No, we will not solve our numerous problems this way.

[Khelinskaya] Under the conditions of market relations what, in your view, will be the role of the party committees and party organizations?

[Paryshkura] Let us not harbor illusions: The concepts "market" and "social justice" are far from identical. A sharp stratification of society will be practically inevitable. And it is here, in my view, that the Communists' work should consist of struggle for justice in all things. To ensure against there being those who are aggrieved and who have been done out of their share. If a million is deserved and has been come by honestly, all well and good. But only that which one has earned oneself by one's own hands and brains.

The work of the party organizations at the enterprises and in establishments, firms, and various associations is acquiring new nuances and a new quality. This means political work. It means the formulation of a new ideology geared to people's cohesion. And the need for this will be part of the agenda also.

[passage omitted]

INTERREGIONAL, FOREIGN TRADE

USSR-Italy Moscow Food Supply Plan Assessed

914D0070A Moscow TRUD in Russian 5 Dec 90 p 2

[Article by V. Svirin: "From the Field to the Store"]

[Text] Soviet and Italian scientists have developed a draft of a general plan for supplying food for Moscow.

Eight months ago, when nobody could know how impoverished the stores of the capital would look, the State Commission for Food and Procurements of the USSR Council of Ministers, the Moscow Soviet Executive Committee, and the Italian consortium CHIZIA created a work group. A large one, it conducted extensive research, revealing not only the causes of the poor supply of food products for residents of the city but also ways to create a system that will make it possible to rectify the situation.

TRUD readers will probably be interested in certain statistical data used by the scientists. Each year Moscow residents consume 820,000 tons of potatoes, 400,000 tons of cabbage, 166,000 tons of tomatoes... A Moscow worker who usually eats in the dining room of his enterprise or institution purchases in the store and at the market (per one person) 561.3 kilograms of food, and a pensioner who eats at home—679.8 kilograms. They spend 40 percent of the family budget on this—almost

twice as much as in developed countries. But the reason for the shortage is not that they have large appetites. We produce 2.5 times more potatoes than we consume, and we have outpaced the United States in terms of milk production, although we lose one-third of the yield on the way from the field to the consumer, and another one-fifth of it is spoiled during storage. Why? In Moscow, for example, there are 23 bases that are capable of accepting 1,170,720 tons of fruits and vegetables, and only half of the bases are equipped with the necessary equipment for preserving the goods. In the entire oblast there are about 20 processing enterprises. They are usually small shops that "save" fruits and vegetables which can no longer be used in their natural form, that is, rejects.

The authors of the draft, taking Italian experience and our reality, drew up a comprehensive plan which takes into account both our own potential capabilities and foreign aid. The structure they created, "From the field to the store," which guarantees reducing losses to a minimum, includes many machines and mechanisms for harvesting the crops, initial sorting and cleaning, packing, delivery to the refrigeration facilities, expansion of the fleet of means of transportation, organization of wholesale trade centers, and so forth and so on. It will take no less than five years to implement the program, and its first measures, which also stimulate the production of products under the conditions of the market, will require about \$120 million. And although the draft was given good grades in expert evaluations in a number of large scientific research institutes of the capital, the TRUD reader, remembering the plans that have previously been adopted and have failed brilliantly, including the USSR Food Program, has a right to ask: Does the same fate not await this plan?

Your correspondent went for explanations to workers of the faculty for problems of the market and the economic mechanism of the Academy of the National Economy. In the opinion of Professor A. Volkov, the new General Plan is built on completely different principles borrowed from the practice of developed countries, including Italy, which, as we know, is not suffering from a shortage of food.

"Previously," says A. Volkov, "we enthusiastically undertook to mechanize farms, seeing our salvation in this; then, without completing what we had started, following the next appeal, we 'threw ourselves' into road construction. Without completing this, we switched over to the construction of storage facilities until we heard the next 'slogan of the day.' We patched up the holes with large sums of money—is this not what happened to the \$176 billion we received for oil from 1974 through 1984? The problem must be solved comprehensively, and the draft is oriented toward that."

But where can we get the money now? Professor O. Protsenko from that same Academy of the National Economy places great hopes in the Bureau for the Creation and Development of the Food Market for

Moscow. Its establishment under the Moscow Soviet is envisioned by the General Plan. The bureau with its combined Soviet and Italian personnel will be the coordinator, client, and supervisor of the work. It will have the fund of foreign credit, part of the budget of the Moscow Soviet, the financial participation of commercial banks, and investments of enterprises and organizations involved in the chain "from the field to the store."

Does this mean that Muscovites will have to wait five years for improvement of the food supply? A colleague of the people with whom I spoke, S. Kapustin, noted that one of the features of the General Plan, which will be submitted to the leadership of the country and city in a couple of days, is its flexibility, which takes the concrete situation into account. Of course, he added, it would be naive to expect an effect the day after the adoption of the program, but something must be done to get us out of the crisis. What precisely this is—that is suggested by the program...

Kirghizia-Republics Sign Economic Accords

Kirghiz-Latvian Accord

914A0128A *Frunze SOVETSKAYA KIRGIZIYA*
in Russian 12 Oct 90 p 2

[Article: "Kirghizia-Latvia: Mutual Cooperation"]

[Text] The governments of the Latvian Republic and the Kirghiz SSR, proceeding from the principles of economic independence and state sovereignty of the republics, have concluded an intergovernmental Accord on Economic, Scientific and Technical, and Cultural Cooperation.

Both parties pledge to observe the principles of voluntariness, parity, and mutual advantage.

It has been agreed to maintain up to 1995, as a rule, mutual trade in raw materials, production, goods and services at a level no lower than that of recent years.

The parties decided to employ in their mutual accounts either price list or contractual prices. Over the course of a month, beginning on the date that the Accord is signed, agreements (protocols) are to be concluded between the various respective ministries and departments of both republics. This concerns commodity exchange of the most important types of production in raw materials according to the appropriate products list, commodity exchange of consumer articles, as well as agreements in the field of finances, power, communications, transport, science and technology, construction and architecture, agriculture and processing of agricultural raw materials, industry, fishing, environmental protection, medicine and health, culture, tourism and sport, as well as education.

Agreements will be concluded on mutual legal assistance, coordination of the actions of law enforcement actions

[sic], development of foreign economic activity, and conditions for the creation of joint ventures and organizations.

The parties agreed that their territorial control bodies, enterprises, organizations, establishments, and other economic objects, upon concluding agreements for mutual deliveries of products that have certain limitations, must make provision for them to be exported or imported only with the authorization of competent bodies of both governments.

Responsibility has been determined for maintaining the quantity and quality of mutual deliveries of goods and products, and their delivery dates, provided for by the agreements concluded.

An understanding has been reached on creating a single system and data bank to track the concluding and fulfillment of agreements on economic, scientific and technical, and cultural relations.

The parties agree to have one representative from the Latvian Republic in the city of Frunze, and one representative from the Kirghiz SSR in the city of Riga, to coordinate the fulfillment of the Accord and of the agreements concluded between the republics.

The Accord was signed on 28 Sep 90 by I. Godmanis, Council of Ministers chairman, Latvian Republic, and A. Dzhumagulov, Council of Ministers chairman, Kirghiz SSR.

Kirghiz-RSFSR Accord

914A0128B Frunze SOVETSKAYA KIRGIZIYA
in Russian 16 Oct 90 p 2

[Article: "Mutual Advantage, Interest, Agreement"]

[Text] Based on these principles, there has been signed an **ACCORD Between the Governments of the Russian Soviet Federated Socialist Republic and the Kirghiz Soviet Socialist Republic on Economic Cooperation for 1991 and the Further Development of Cultural Relations.**

The governments of the Russian Soviet Federated Socialist Republic and the Kirghiz Soviet Socialist Republic, henceforth referred to as the Parties, proceeding from the sovereignty of the republics and the traditional economic and cultural relations that have existed between them, as well as taking into account the interests of both Parties in the further development of mutually advantageous and equal cooperation on a long term and stable basis, conclude the following intergovernmental Accord:

Article 1

The Parties agreed, as a rule, to retain for 1991 mutual deliveries of products at a level no lower than that of 1990, and to take steps to equalize their quantity in the future on an equivalent basis. Mutual deliveries of products by enterprises shall be taken into account in the

overall balance of commodity exchange between the republics, regardless of the region where the enterprises are located.

Article 2

The Parties agreed to carry out mutual relations on the basis of agreements, accords or protocols concluded between enterprises, organizations, establishments, territorial (municipal) and other state and economic control bodies, within the framework of their area of competence. They shall bear full responsibility for the observance of their obligations.

Article 3

The Parties will render assistance in the preservation, establishment, and expansion of direct economic relations between enterprises, organizations, establishments, and other economic persons, for mutual delivery of products and rendering of services, taking into account the transition to market relations.

Article 4

The Parties believe that enterprises and organizations of their republics may participate in implementing cooperation, regardless of forms of ownership and departmental subordination. The creation of joint ventures is possible. With the agreement of the Parties, enterprises and organizations located outside the territories of the republics, as well as foreign partners, may take part in cooperation.

Article 5

In calculations for mutual deliveries in 1991, the Parties will use existing price lists, and contractual and world prices (in Soviet rubles), which are acceptable to them, and refrain from actions that do economic damage to one another.

Article 6

The Parties agreed to complete before 1 Nov 90 the conclusion of agreements, and signing of accords or protocols pertaining to the following areas of economic and cultural cooperation, assigning this work to the appropriate governmental bodies:

- for mutual deliveries of the most important types of products: between the RSFSR State Committee for Material and Technical Support of Republic and Regional Programs, RSFSR Ministry of Trade, RSFSR State Committee for Economics, and the Kirghiz SSR Gosplan [State Committee for Material and Technical Supply], Kirghiz SSR Ministry of Trade, Kirghiz SSR Ministry of Light Industry, and Kirghiz SSR Gosplan [State Planning Committee];
- in the area of finance: between the RSFSR Ministry of Finance and the Kirghiz SSR Ministry of Finance;
- in the area of science and technology: between the RSFSR State Committee for Scientific and Higher School Matters and the Kirghiz SSR Academy of Sciences and Kirghiz SSR Ministry of Education;

- in the areas of construction and architecture: between the RSFSR State Committee for Architecture and Construction, and the Kirghiz SSR State Construction Committee;
- in the field of agriculture and fishing, and processing of agricultural raw materials: between the RSFSR Ministry of Agriculture and Food, and the Kirghiz SSR State Committee for Agriculture and Food;
- in the field of industry: between the RSFSR Ministry of Industry and the Kirghiz SSR Gosplan;
- in the field of environmental protection: between the RSFSR State Committee for Ecology and Resources Use, and the Kirghiz SSR State Committee for Environmental Protection;
- in the area of population migration: between the RSFSR Ministry of Labor, and the Kirghiz SSR State Committee for Labor and Social Security;
- in the field of medicine and health: between the RSFSR Ministry of Health, and the Kirghiz SSR Ministry of Health;
- in the field of culture and education: between the RSFSR Ministry of Culture, the RSFSR Ministry of Education, the Kirghiz SSR Ministry of Culture, and the Kirghiz SSR Ministry of Education;
- on mutual legal assistance: between the RSFSR Ministry of Justice and the Kirghiz SSR Ministry of Justice;
- on coordination of the actions of law enforcement organs: between the RSFSR Ministry of Internal Affairs, and the Kirghiz SSR Ministry of Internal Affairs.

If the setup for managing the economy of the republics is changed, responsibility for fulfilling this Article will be assigned to the appropriate bodies.

Article 7

The Parties agreed that, upon the conclusion of agreements by territorial control authorities, enterprises, organizations, establishments and other economic persons, they will not introduce limitations on the delivery of products, except for individual types, control over the mutual deliveries of which will be exercised by the appropriate authorities.

Article 8

For the purpose of protecting domestic markets and the interests of the population in providing most needed goods, the Parties agreed to provide notification and coordinate their actions in a timely manner with respect to changes in retail and purchase prices, as well as other forms of regulating the domestic market. They will stipulate measures jointly to halt any attempts by economic persons aimed at infringing upon the interests of one of the Parties.

Article 9

The Parties considered it necessary to create a joint working commission to develop a draft program for economic and cultural cooperation, in which to examine

the further development of these relations on the basis of equality and mutual advantage. Development of this draft program is to be completed in the first half of 1991.

To ensure the coordination and interaction of the republics, the Parties consider it necessary to organize a permanent Coordinating Soviet for business cooperation. This soviet will be formed from representatives of economic policy and other economic bodies.

Article 10

The Parties agreed to inform one another about the course of the conclusion and fulfillment of agreements on economic and cultural cooperation.

Article 11

This Accord enters into force on the date it is signed.

The Accord has been drawn up in Moscow and Frunze in two copies, and signed on 9 Oct 90.

For the government of the Russian Soviet Federated Socialist Republic, I. Silayev, chairman, RSFSR Council of Ministers.

For the government of the Kirghiz Soviet Socialist Republic, A. Dzhumagulov, chairman, Kirghiz SSR Council of Ministers.

Estonia, Kirghizia Reach Accord on Economic Cooperation

914A0139A Frunze SOVETSKAYA KIRGIZIYA
in Russian 17 Oct 90 p 2

[Unattributed article: "Kirghizia and Estonia Agree in Order To Normalize Their Economies":]

[Text] The Governments of the Estonian Republic and the Kirghiz SSR, on the basis of their political and economic independence and long years of mutually advantageous relations, have concluded an intergovernmental agreement on development of economic, scientific-technical, and cultural cooperation.

It was agreed to carry on mutual relations on the basis of appropriate treaties, agreements, or protocols which are concluded by the parties and also between enterprises, organizations, institutions, organs of territorial (municipal) or state administration, or other subjects within the limits of their jurisdiction.

It is envisioned that the fundamental principle in ensuring mutual deliveries in 1991 is preservation and expansion of economic ties that were established in 1989-1990.

The formation of joint enterprises is possible in conformity with the agreement. In this case enterprises and organizations that are not in the republics, and foreign partners as well, may take part in the cooperation.

The parties agreed to operate on the principle of equivalent exchange of products, to use existing price lists and contract prices in clearing accounts for mutual deliveries in 1991, and to refrain from actions which could cause economic harm to the other.

It was agreed that cooperation would be expanded in the following areas: trade in the most important types of output and goods and cooperation and specialization in the fields of industry, finances, education, science and technology, agriculture, processing of agricultural raw materials, medicine and public health, culture, sports, tourism, ecology, and foreign economic ties.

Agreements on cooperation will be concluded between the appropriate ministries and departments of the two republics.

It was decided that territorial administrative organs, enterprises, organizations, institutions, and other economic subjects should, when concluding contracts for mutually advantageous deliveries of output and goods which have definite restrictions, provide for their export or import only with approval of the competent organs of the two republics.

Measures are envisioned to protect internal markets and the interest of the population in receiving essential goods.

It was decided to set up a data bank on contracts concluded and progress in their performance.

It was considered necessary to organize permanent offices of the Kirghiz SSR in Tallinn and of the Estonian Republic in Frunze.

This agreement was compiled in the cities of Tallinn and Frunze in Russian, Kirghiz, and Estonian.

It was signed by E. Savisaar, chairman of the Government of the Estonian Republic, and A. Dzhumagulov, chairman of the Council of Ministers of the Kirghiz SSR.

Press Conference on Material Resource Supply to Lithuania

914A0139B Vilnius EKHO LITVY in Russian
30 Oct 90 p 1

[Unattributed article: "Who Are We Going To Trade With?"]

[Text] On 29 October the traditional press conference was held in the government residence. Algirdas Brazauskas, deputy prime minister of the republic, and Romualdas Kozlovich, minister of material resources, met with journalists.

Both men spoke in detail about material supply to the Lithuanian economy. One of the chief suppliers of petroleum, metal, lumber, and other essential raw and processed materials for the Lithuanian economy, the

Russian Federation, authorized central USSR departments to distribute these resources. Therefore, specialists from the Ministry of Material Resources and other departments were sent to Moscow and are now coordinating our plans with them. Incidentally, they also have to negotiate concerning goods purchased abroad for hard currency. At the same time the problem arises of direct exchanges of the raw materials and equipment we need with suppliers, because export of output produced in Lithuania for this purpose is strictly regulated. Algirdas Brazauskas stated that, taking account of enterprises interests, corrections were made in the decree regulating direct exchanges and in individual cases, where necessary, this question can be decided by the enterprise managers.

Responding to the question, what would it take to revitalize the republic's economy, which is in bad condition at the present time, the deputy prime minister said: privatization of real property as quickly as possible. In his view, enterprises in the service and transportation sphere should be privatized first, and, at least in part, construction organizations. The self-management units should give impetus to this process. Answering a question about determining the priority lines of industrial development in Lithuania, he remarked that primary attention should be focused on those industrial sectors and enterprises which use local raw materials and other resources.

Other questions by journalists were also answered at the press conference.

Lithuanian Official Explains Import, Export Law

914A0139C Vilnius EKHO LITVY in Russian
31 Oct 90 p 2

[Comment by Vladislovas Jankauskas, general director of the statistics department of the republic government: "How Much Do We Import? How Much Do We Export?"]

[Text] On 13 September the provisional Lithuanian Republic Law on Accountability for Violation of the Rules of Trade and Procedures for Buying, Exporting, and Shipping Goods Outside the Lithuanian Republic was adopted. In execution of this law the republic government has established procedures for sale and release of goods from enterprises and for import and shipping of goods.

At the request of ELTA, Vladislovas Jankauskas, general director of the statistics department of the republic government, comments on the established procedures and practice of importing and exporting goods.

[Jankauskas] The economy of the Soviet Union, with which our republic is closely linked, is not only destabilized, but is actually in a state of crisis. Therefore, during the period of transition to the market, speculation and other antisocial phenomena have become especially widespread. In this situation the present provisional Law of the Lithuanian Republic is very timely and necessary.

even though it contradicts market requirements. I think it is truly provisional and will not last long. Its main point is to combat speculation. It is important today to observe it, not to go into fine points or extremes.

[Correspondent] Doesn't this law restrict the independence of economic activity?

[Jankauskas] The law establishes stricter accountability for violating the rules of trade and procedures for releasing goods from industrial enterprises, plus the procedures for buying and exporting goods from Lithuania. Needless to say, stricter accountability restricts the freedom of action of those who are used to disregarding the laws.

But you should not think that with adoption of the law interstate exchange must be frozen, that everything produced in Lithuania will stay in the republic. That would be not only a mistake, but fatal for the Lithuanian

economy. After all, we can only satisfy the needs of the people and of the entire republic economy through commodity-money or trade exchanges and transactions.

[Correspondent] All the same, do we export many goods that are made in Lithuania?

[Jankauskas] Yes and no, depending on what goods we are talking about. Overall last year we imported 1.5 billion rubles more of finished articles, raw and processed materials, and other output than we exported.

There are four types of export: based on inter-republic deliveries and contracts set in advance; based on direct inter-republic exchanges; based on an export volume set in advance; and based on export by means of commodity exchange. I would like to use this opportunity to offer your readers the following table which shows the balance of certain goods. It was compiled on the basis of preliminary data for the first nine months of this year.

Trade Balances of Certain Goods in Lithuania

Name of Commodities	Manufactured by Republic Industry	Import	Delivered to Consumers Through the Market	Export
Fabric, thousands of meters				
Cotton	69,381	30,393	14,202	19,143
Wool and Scarves	10,956	1,679	1,453	7,718
Silk	27,491	8,665	6,520	15,710
Lines	12,465	1,280	3,722	7,148
Clothing and Underwear, thousands of rubles	266,557	145,142	336,409	46,138
Knitted Items, thousands	49,317	2,369	32,140	16,978
Stockings and Socks, thousands of pairs	61,998	5,441	36,650	23,277
Footwear, thousand of pairs	8,662	1,474	8,405	1,397
Household Soap, tons	8,878	1,720	3,601	2,504
Toilet Soap, tons	3,801	3,444	4,439	1,089
Synthetic Detergents, tons	10,138	72,623	18,584	2,194
Tobacco Items, thousands of rubles	70,102	3,604	56,415	17,315
Television Sets, units	430,706	46,353	85,271	338,532

The import and export columns show trade with the Eastern and Western markets.

In addition to the distribution of goods shown in the table, still another part of them are transferred for industrial processing and to nonmarket consumers, and others are kept in reserve.

Our partners in the Soviet Union today are increasingly refusing to sell the goods we want for money; they demand in-kind exchange. Therefore, in order to satisfy the needs of the inhabitants of the republic and of other consumers, we cannot ignore these demands.

There are quite a few goods that we consume on a large scale, but do not produce. That is normal. It is a result of the global process of division of labor and natural conditions. Needless to say, no one gives anything away for nothing; everything has to be paid for. And payment is in money or in kind, that is, in other goods. The is the basis of the import and export of goods.

For example, in January-September the Mazhekyay Oil Refinery bought and refined more than 7 million tons of petroleum. From this raw material they produced the gasoline, diesel fuel, furnace fuel, furnace oil, and bitumen needed by consumers in the republic.

Needless to say, we sold some petroleum products outside the republic. A total of 17,300 tons of diesel lubricants and 1,048,000 tons of hard coal was imported to the republic. To satisfy the needs of the republic this year we have imported, just through the depots of the Ministry of Material Resources: 509,400 tons of rolled ferrous metal; 20,400 tons of rolled nonferrous metal; 78,700 tons of steel pipe; 17,400 tons of cast iron water pipe; 1,685 motor vehicles; 2,134 kilometers of power cable; 5,200 tons of welded electrodes; 55,000 motor vehicle batteries; 118,800 cubic meters of commercial timber; and 15,000 gas ranges. The list could go on, and it would be quite long.

Belorussian-Kazakh Economic Cooperation Accord Signed

Leaders' Announcement

914A0133A Alma-Ata KAZAKHSTANSKAYA PRAVDA
in Russian 10 Oct 90 p 1

[Article: "Announcement by the leaders of the Kazakh Soviet Socialist Republic and the Belorussian Soviet Socialist Republic"]

[Text] Under conditions of the transition of the country's economy to market relations, and of the fundamental change in the structure of economic management, an insistent need arose to develop an effective socioeconomic policy, taking into account the mutual interests of the union republics, and coordination of their efforts in the main directions of economic, scientific and technical, and cultural development.

These goals defined the content and nature of the meeting of the leaders of Kazakhstan and Belorussia. Outlining the priorities for mutually advantageous cooperation, both parties proceed from the principles of state sovereignty of the republics, and their independent authority on all questions associated with political, economic, social, and national-cultural construction, and administrative and territorial organization. At the same time, both republics possess great opportunities for integrating their powerful economic and scientific and technical potential, for solving jointly common social and economic problems, and for expanding and extending substantially the relationships that exist under today's all-union division of labor.

In Belorussia, scientifically intense production, machine building, and the wood chemical complex are highly developed, and there is a diverse industry for the production of consumer goods. Kazakhstan possesses rich mineral, raw material resources, developed ferrous and nonferrous metallurgy, a large fuel and energy complex, and multibranch agriculture.

Joint effective use of this potential is capable of raising the standard of living of the population of our republics, overcoming crisis phenomena in the economy, and eliminating many problems in Kazakhstan and Belorussia.

The acute need for strengthening contacts is also caused by our ecological troubles. The Chernobyl catastrophe, the tragedy of the Aral Sea, and the consequences of the tests at the Semipalatinsk Nuclear Range all require the investment of sizable funds and resources, and the coordination of the actions of the governments in taking radical steps, including the involvement of international assistance, to improve health protection and create worthy living conditions for the people.

N. Nazarbayev, president, Kazakh SSR

...

The establishment of direct relations based on agreements, which take into account the national historical, economic, and cultural particularities, and the objective starting position of the republics, can become a reliable foundation for implementing the ideas engendered in the course of developing the new Union agreement. In this question, the positions of the Kazakh SSR and the Belorussian SSR are identical: The union republics are sovereign and possess full authority on their own territories, and they voluntarily join in a union of sovereign states, and entrust to the center authority for only those matters that they delegate to it on their own volition. Various forms of relations on the basis of direct agreements between the republics will reliably serve to strengthen the unity of the Union, and have a fruitful influence on the establishment of the market mechanism, intensifying the processes of integration in the economy, and strengthening friendship among the peoples.

These approaches define the content of the bilateral intergovernmental accord on economic, scientific and technical, and cultural cooperation between the Kazakh SSR and Belorussian SSR, concluded in the course of today's meeting. This document sets down the main parameters of our coordination in the field of common economic problems, science and technology, education and culture, ecology, and financial and credit relations. Specific measures are outlined for coordinating the structural perestroika of the economy of the republics, and for joint foreign economic activity. Mutually advantageous exchange of industrial and technical products and consumer goods is provided for, under the conditions of the all-union market that is forming. To implement the agreement, a permanent coordinating soviet for cooperation will be created, empowered with the necessary authority. We have agreed to hold annual meetings to expand and improve many-sided relations.

We express confidence that the peoples of Kazakhstan and Belorussia, united by common goals, fraternal unity, and responsibility to future generations, will multiply all their efforts to realize the plans worked out in the accord, and to strengthen mutual cooperation between our republics.

N. Dementev, Supreme Soviet chairman, Belorussian SSR

Background of Agreement

914A0133B Alma-Ata KAZAKHSTANSKAYA PRAVDA
in Russian 10 Oct 90 p 3

[Article: "For Mutual Advantage, With Complete Openness"]

[Text] As was already reported, as a result of talks held in Minsk, a statement by the leaders of the Kazakh and Belorussian soviet socialist republics has been approved and an intergovernmental accord signed on the development of economic, scientific and technical, and cultural cooperation.

How this took place is reported in the report published below, written at the request of KAZTAG [Kazakh Telegraph Agency] by colleagues from the Belorussian Telegraph Agency.

Usually, as happens with talks at this level, we see only the high representatives of the parties exchange greetings and seat themselves, and then are asked to leave the hall until the business of the invited leaders has been concluded.

Today everything took place in the presence of journalists. N. Nazarbayev, Kazakh SSR president, made calculations aloud. His opponent, Belorussian Premier V. Kebich, cited his arguments. The high guest, yielding his place in the discussion to K. Abdullayev, republic Gosplan chairman, sat silently in thought for a time, but after some time the parties, to applause, struck a bargain, as the saying goes. A mutually acceptable solution was found.

Belorussia will deliver to Kazakhstan cars and trucks, tractors, machine tools and tools, chemical products and consumer goods. In return it will receive rolled metal, mineral raw materials, machine-building production and agricultural products.

Kazakhstan will deliver 750,000 tons of grain next year, and 140,000 tons now. This is a sharp increase, but even with it the republics will only approach a balance of trade. In order to equalize it finally, the Belorussian side proposed that deliveries of grain be increased to a million tons, and that their delivery of consumer goods be increased by a hundred million rubles. The partners requested almost a quarter of a billion! Then a hitch arose. In the end a compromise was found, although Kazakhstan continued for the time being to have a negative balance, as it would purchase more than it would sell to Belorussia. After that everything went smoothly.

At first N. Nazarbayev and N. Dementey signed a joint statement. Direct relations by agreement, which take into account the particularities of a republic, may become a reliable basis for working out the new Union agreement. The developed machine building and scientifically intense production of Belorussia, and the rich

resources and powerful metallurgical potential of Kazakhstan, successfully supplement one another. The republics are also brought together by common calamities: the consequences of the tests at the Semipalatinsk Range and the Chernobyl catastrophe.

Then U. Karamanov and V. Kebich, chairmen of the councils of ministers, signed the intergovernmental accord. A specific program for economic, scientific and technical, and cultural cooperation became a part of this document. Besides traditional trade, the creation of joint ventures, and the development of new agricultural technologies, are also provided for. A permanent coordinating soviet, with representatives in the capitals of both republics, will regulate business contacts.

The parties made the following comments about the signed accords.

N. Nazarbayev: "Under conditions when the Union will consist of sovereign states, it is very important to negotiate ourselves, and to solve all problems. We advanced far in our relations. Kazakhstan residents will be satisfied receiving from Belorussia more consumer goods, which we are lacking. We will not remain in debt. We will begin to deliver cement, which we did not do before. The negative balance in our commodity exchange will now decline to 180,000,000 rubles. But we will equalize the balance; opportunities for this exist. I am very satisfied with the talks."

V. Kebich: "We have signed documents with a republic that fulfills its obligations very seriously. The fact alone that more than 200,000 Belorussians are living in Kazakhstan obligates us to have closer ties. As for the loss to the Belorussian market of goods worth 200,000,000 rubles, consider that for grain under today's conditions we would have had to pay in gold. That is the situation. Now we will be able to use our currency in other ways."

"But we must not reduce everything to economics. A Belorussian cultural center has opened in Kazakhstan, and they asked us for assistance. Why, say, create printing capacities with Belorussian type? We will take on the delivery of textbooks and literature. As for the presence of journalists at the talks, there is nothing special here. We do not intend to hide anything. Everyone must see and know how the work for the sake of a better future is going."

The respectable private residence in the center of Minsk, where in the past as well delegations of representatives have been received, this time was unofficially named the House of Foreign Trade. It is hard to say whether the building will receive this status. Undoubtedly, however, its walls witnessed sharply increased business and political activity of the republics.

Tajik Deputy Premier Views Interrepublic Relations

914A0021A Moscow *RABOCHAYA TRIBUNA*
in Russian 9 Oct 90 p 1

[Interview with Abudzhilil Akhadovich Samadov, deputy chairman, Tajik SSR Council of Ministers, by L. Latypova: "Inappropriate Egotism"]

[Text]

[Latypova] Abudzhilil Akhadovich, a resolution by the republic government has banned the export of goods. Several days before it was passed, while speaking of the problems of converting to a market, you evaluated similar actions by other republics as an element of an economic blockade, leading to negative consequences for everyone. Moreover, as far as I understand, the ban in principle contradicts the idea of a market.

[Samadov] Our resolution was forced: all the neighboring republics closed their "borders" against us. However, the ineffectiveness of such measures immediately became obvious, since the oblasts "bordering" the region's republics restored the customary commodity exchange. Soon, all of our neighbors, including we ourselves, will decide to remove these bans.

[Latypova] Does this mean that the decisions being made often fail, since they do not take real life into account?

[Samadov] Group and regional egotism, concealed by good intentions, often interferes with the development of economic ties.

Unquestionably, the republics need independence. It is being suggested that we share functions with the center and, on this basis, conclude a new Union Treaty. However, does not such a division restrict the functions of the republics even more? We have passed a Law on Ownership here. We are faced with the privatization of ownership. New structures of relations will develop: various associations and joint enterprises. Throughout the world, the process of economic integration is occurring beyond territory. Now, however, every republic is tugging the blanket for itself, sometimes not realizing that only common gains will strengthen their independence.

In my opinion, the republics should come to an agreement on the fundamental conditions for unification and for the delegation of authorities to the Union. However, as a state formation, the Union should not only have rights, but also responsibility for the state of affairs, above all for the creation and implementation of conditions for the development of regions, the equalization of their levels.

Of course, the republics must also reach an agreement among themselves. As they realize their rights to independence, a picture which is strange from today's viewpoint may take shape: the share of budget capital investments in a republic's development may be smaller than

the share of foreign investments. The institution of horizontal ties will then be operating. However, the appropriate infrastructure, equipment, legal standards, etc., are needed for this.

[Latypova] To a certain extent, these ties already exist and are operating. For instance, we get wood from Siberia, paying with fruits and vegetables. In the Urals, there is a large machine building complex that makes a product which we need. How come they do not invest their funds in developing our agroindustrial complex, in order to ensure food for themselves? How come we can create joint enterprises on the level of countries, but we do not create them on the republic level?

[Samadov] We already have such proposals, and they are very profitable for both parties. True, I am against the principle of self-support, which some regions welcome. It contradicts the market. Japan feeds itself due to the fact that it has priority in the world's production of nonfood items: it has a so-called active product. Therefore, we must approach the specialization of republics and regions according to the "agricultural" or "industrial" principle cautiously. We must seek out our own active product, enabling us to use the republic's unique possibilities, its natural and labor resources.

[Latypova] Over decades, the opinion has formed that this is a republic which consumes especially. What does Tajikistan have to offer?

[Samadov] We do have specific proposals on this matter. We have a clear vision of the republic in the new system and well-considered developmental variants for several years to come. The main thing in this system is a sharp increase in the efficiency of our own labor. Of course, injections into the republic's economy will be required at first, but they will be effective almost immediately. The two priority directions are the food complex and light industry.

In short, we have many of the prerequisites for accelerated development, but there is no mechanism enabling us to realize them. This means that the solution to many important problems might depend on a single clerk in a high position. Here is an example for you: the republic decided to sell several thousand tons of beyond-the-plan cotton abroad. We found understanding at the USSR Council of Ministers. However, the Goskomlegprom disagreed. Their argument: the internal market is not saturated. However, we have fully met our obligations according to contract and should have the right to dispose of anything beyond this.

[Latypova] How do you envision the program for conversion to a market?

[Samadov] I have no simple opinion on it. There are elements that must be welcomed, yet there are also those which I cannot accept. For instance, it is hard to balance prices and structures from the center, such that they will be adequate for a market everywhere, including in our region. It is necessary to release control over the basic

share of prices, controlling only the prices for things relating to social guarantees for the population.

Right now, people are saying a great deal to the effect that, by transferring enterprises to the auspices of republics and reducing the layers of management, we are only changing the level of diktat without changing the situation in principle. However, are there grounds for believing this? After all, there is no longer centralization on the republic level. We have approached this from entirely different positions, knowing for ourselves what departmental diktat feels like. We should conduct these processes such that they will not suppress the interests of enterprises.

Komi ASSR Trade Minister Comments on Delivery Shortfalls to Region

914A0021B Moscow *RABOCHAYA TRIBUNA*
in Russian 9 Oct 90 p 2

[Interview with Valter Borisovich Velsovskiy, Komi ASSR minister of trade: "Do Not Give Vent to Passions"]

[Text] This autumn, workers in the northern Komi Republic are truly pressed to the wall. The store shelves look depressingly like empty eye sockets to the miners of Vorkut, the oil workers of Usinsk and the paper workers of Syktyvkar. Those who had delivered meat, sugar, flour and other products suddenly began to look for more profitable customers. Under such dramatic conditions, the republic government sent a warning telegram to the center: if this ugliness does not stop, we will halt the delivery of oil, coal and wood.

However, even before changes became noticeable in the stores, there were people here who did not let themselves give vent to passions. It was publicly announced that there would be no blockades, regardless of the blatant indecency on the suppliers' part. However, the President's Ukase then followed. It was as though they urged it on even from here, from the North. Do the people in Syktyvkar regret their prudence now, when it is entirely optional? Today, Komi ASSR Minister of Trade V. Velsovskiy answers this and other questions.

[Correspondent] What, Valter Borisovich, are the reasons for the republic government's initial line of action?

[Velsovskiy] The bare shelves. In September alone, our suppliers in Krasnodar, Lipetsk and other oblasts failed to deliver 1,500 tons of meat to us. Consider what this means for Northerners, since from the beginning of the year the shortfall in meat deliveries comprised 3,600 tons. Imagine: who is going half-starved down the mine shafts? Yet, this time most of our suppliers refused outright to deliver not only meat, but also flour.

[Correspondent] How has the republic endured the tobacco shortage?

[Velsovskiy] I am afraid even to speak of this. The Lvov Tobacco Factory recently refused to deliver tobacco goods to us worth 200,000 rubles. However, this is small fry compared to the 3.5 million rubles worth of cigarettes which Bulgaria owes us.

[Correspondent] Is not Bulgaria the same country that exports millions of cubic meters of wood from Komi?

[Velsovskiy] Indeed, strange though it may be, our stubborn example has even jumped abroad. However, after the meeting with President Lukanov, matters will soon return to normal. He has even promised to exceed the delivery amounts in the next few months.

[Correspondent] Yet, what about now? Are there any regrets about rejecting a commodity blockade?

[Velsovskiy] On the contrary, the members of the republic government are satisfied that they have behaved reasonably. Really, what will we gain through a blockade? It will strike us back like a boomerang.

PRICES, BUDGET, FINANCES

RSFSR Finance Minister Explains Discount Sale of Republic Bonds

914A0091A Moscow *IZVESTIYA* in Russian 6 Nov 90
Union Edition p 1

[Article by M. Berger: "90 Rubles for a 100-Ruble Bond—Who'll Offer Less?"]

[Text] A report with the obligatory heading: "In the RSFSR Ministry of Finance" that appeared recently in the press went practically unnoticed. Meanwhile, it may mark the beginning of a fundamentally new stage in the organization of monetary dealings—a stage that brings us closer to the formation of a developed securities market.

The brief announcement reported the following: Russia's Ministry of Finance is to launch the sale of the 1990 Russian Republic Domestic State Five-Percent Loan at prices below par—in other words, below those indicated on the bonds. The starting price for the 100-million-ruble issue is 90 million rubles. In other words, every 100-ruble Russian Republic state "IOU" (which, in effect, is what a bond is) can be acquired at a price not to exceed 90 rubles, with the right to recover the full sum of the loan in 16 years, and with interest.

At present, it's hard to say with certainty who will come out ahead: the person who buys the 100-ruble bond for 90 rubles or less (the bonds will be sold at auction) or the person who declines to buy it. It should be pointed out in particular that any and all juristic persons are entitled to participate in the auction—enterprises and organizations, regardless of their form of ownership, cooperative and commercial banks, and also foreign organizations that have ruble accounts in RSFSR banks.

We asked RSFSR Minister of Finance B. Fyodorov to comment on this decision.

[Fyodorov] For the first time in recent years, state bonds are being offered to buyers at market prices, as determined by supply and demand. Unfortunately, from all indications, our businessmen have still not completely understood what advantages are offered by a so-called "Dutch auction" in which prices are bid down from an opening maximum level. Thus, buyers can offer 85, 80 or even fewer rubles for a 100-ruble bond.

[Berger] And if someone reconsiders or can't wait the full term, will he have an opportunity to sell the bond beforehand?

[Fyodorov] Trading in securities is to be free, at free prices, and we intend to encourage such trading.

[Berger] In what way?

[Fyodorov] 5 November is the date set for the founding meeting of the Russian Republic Stock Market, which will be the first professional, organized market for state securities, enterprise stocks and bonds, and foreign currencies. The market is being founded by the RSFSR Ministry of Finance and a number of commercial banks and organizations.

[Berger] Why is the Ministry of Finance involved in this? Isn't that your way of attempting to dominate the market and of regulating it with the help of state structures?

[Fyodorov] I would venture to say that our ministry is one of the exponents of a market policy. But we want to organize things in a civilized fashion and to prevent anarchy. We also have an obligation to safeguard the interests of enterprises and individuals, so they don't fall victim to unscrupulous wheeler-dealers. In that sense, an open market with full disclosure, hard-and-fast rules, government oversight and strict accountability on participants' part is the only way to proceed. Lack of the aforementioned conditions simply puts at risk the people involved in trades, and we advise caution to those who utilize the services of firms, banks and exchanges operating in the RSFSR without licenses from the RSFSR Ministry of Finance to trade in securities. In this case, licenses are not a form of restriction, but a warrant of the firm's reliability and the professional qualifications of its employees. Only after studying the solvency of a firm claiming the right to trade in securities will we grant the appropriate permission—otherwise it would be difficult to protect the interests of honest clients.

[Berger] How will the stock exchange operate?

[Fyodorov] We have taken as our model the relatively simple scheme of several West European stock markets—one that will not require heavy capital investments in the initial stage. Trades will be concluded among the members of the exchange and immediately recorded in a computer. We will be publishing a list of members of the exchange to whom organizations and ordinary individuals will be able to turn if they so choose. All who wish to

become members of the exchange are invited to do so. Securities from other republics are likewise "invited," provided they conform to the exchange's rules. And we're also inviting applications for employment at the Russian Republic Ministry of Finance from specialists who wish to participate in the creation of a stock market.

Let's hope that the creation of a stock exchange, the Dutch auction, and the other efforts to form a securities market will attract more notice than has the little-remarked announcement in the newspaper.

Estonian Savings Bank Certificates Explained

914A0180A Tallinn SOVETSKAYA ESTONIYA
in Russian 14 Nov 90 p 1

[Article by A. Seznev, first deputy chairman of the Board of Directors: "USSR Savings Bank Certificates"]

[Text] In answer to the question as to whether the Estonian Republic will offer 10-year savings certificates with a 4 percent annual interest rate as a savings bank service, we announce that beginning on 26 October 1987, certificates of the USSR Savings Bank will be freely sold and redeemed by any operational department or affiliated branch of the USSR Savings Bank in accordance with Regulations No 2.

USSR Savings Bank certificates are issued in amounts of 250 rubles, 500 rubles and 1,000 rubles, and they have a maturity of 10 years.

A bearer who keeps a certificate to maturity is paid the sum of the certificate plus four percent annual interest.

The bearer of a certificate is entitled to present the certificate for redemption prior to expiration of the 10-year term. In this case the income paid to him is prorated depending on the number of years the certificate was held.

No interest is accrued when a savings certificate is held for less than one year from the day of its sale, or after expiration of the 10-year term.

Interest on a certificate is not paid separately; it can be paid only together with the face value of the certificate.

USSR Savings Bank certificates are securities payable on demand, and they are not renewed upon expiration.

Beginning on 1 November 1990, USSR Savings Bank certificates will begin paying an average of 10 percent over the entire 10-year term.

Bank of Estonia Deplores State's Currency Reform Plan

914A0180B Tallinn SOVETSKAYA ESTONIYA
in Russian 17 Nov 90 p 1

[Article by I. Lindsalu: "The Bank of Estonia Offers Its Conception"]

[Text] The Bank of Estonia disagrees with the conception of currency reform in Estonia developed by a government commission under the leadership of Bu Krag. Yesterday at a press conference Bank of Estonia President R. Otsason announced that the conception approved by the government is antihumanitarian, inasmuch as it is oriented on annulment of the savings of the population. This is why the Bank of Estonia proposed its own conception to the Presidium of the Supreme Soviet of the Estonian Republic, which is based on the idea of reducing the amount of money circulating through rapid and decisive privatization.

R. Otsason asserts that a quite ordinary struggle for power is now going on between the government and the Bank of Estonia. The government aspires to attain full control over the banking system of Estonia, which is unimaginable in developed countries. Mr Otsason believes that the government is incompetent in financial affairs, and that the talents of Bu Krag, an advisor of Swedish origin, are absolutely inconsistent with the situation in Estonia. In Mr. Otsason's opinion, implementation of the government's conception would lead to financial chaos.

Discussing the Estonian kroon, R. Otsason noted that the people of Estonia will be left without this Christmas gift because of the absence of the necessary preconditions: The economic mechanism is unstable and it is not in a position to avoid inflation, and relations with trading partners outside Estonia are uncertain.

Commercial Joint Stock Bank Formed in Kirghizia

914A0141A *Frunze SOVETSKAYA KIRGIZIYA*
in Russian 19 Oct 90 p 3

[Article by Yu. Blyum, KirTAG reviewer for SOVETSKAYA KIRGIZIYA, under "Steps to the Market" rubric: "Time to Buy Up Stocks: Kirghiz Commercial Joint Stock Bank Established"]

[Text] No matter to whom the idea of transferring the Zhilsotsbank [Bank for Housing and Municipal Services and Social Development] to the category of independent joint-stock commercial banks belongs, it is an intelligent idea. Is it not reasonable to let a person have full control of his earned profit rather than to tell him what to spend this money for?

Thus, while the legislators are polishing the future laws on banks, the locomotive of privatization of capital is already gaining speed. On 9 October, the Kirghiz Joint-Stock Commercial Bank was founded through the approval of its charter and the election of a council of founders and shareholders at a joint meeting. The founders were the ministries of the building materials industry, light industry and finances of the Kirghiz SSR, Kirgizpotrebiyuz [Kirghiz Consumers' Union], the Kirghiz Worsted Goods and Cloth Combine and the kolkhozes imeni Karl Marx in Kara-Suu Rayon and Kommunizm in Aravan Rayon in Osh Oblast. The

charter capital is 200 million rubles, which makes it possible to direct 4 billion rubles into investment loans. They will issue 200,000 shares of stock at a value of 1,000 rubles each. Investors will earn from 10 to 15 percent annually.

The bank has opened its doors wide for all those wishing to place their capital advantageously. Shareholders may be a ministry, public organization, state or private enterprise, kolkhoz, cooperative, leasee, farmer, foreign firm and any Soviet or foreign citizen. Taking into account world experience, the republic joint-stock bank, as a universal bank, is offering a broad choice of banking operations and services. Along with traditional operations in credit, accounting and cash services, the bank will attract monetary assets for deposit accounts, the issue, purchase, sale and custody of securities and other payment documents and the issue of recommendations and guarantees and other obligations.

One of the new directions in the work of the bank, noted Chairman of the Board Sharipa Sadybakasova in a conversation with the correspondent, will be the opening and maintenance of accounts in foreign currency, the issue of loans in foreign currency, cooperation with foreign banks with the right to establish representations abroad and the purchase of foreign licenses. This is opening up favorable possibilities in the establishment of business ties with foreign partners. Agreements have already been signed for the extension of credit for the introduction of new capacities and the production of first-class output through the joint efforts of the Frunze Production Footwear Association and the Italian firm Kogalo SRL and for the establishment of capacities for the production of leather jackets by the joint enterprise of the Issyk-Ata Fur Factory and the Turkish firm Promoto.

It is apparent just from these examples that the priority in the extension of credit will be given to the establishment of new capacities, jobs, and production systems for the issue of consumer goods and building materials, the construction of housing and children's and medical institutions and the expansion of the service sphere. The commercial bank is called upon to help in the broad development of the cooperative movement and the establishment of small enterprises and to create favorable economic conditions for the transfer of enterprises in industry, agriculture and trade to leasing conditions and privatization.

The fundamental difference between a commercial joint-stock bank and state banking structures involves the basic change in the functions of monetary capital: money is converted into commodities and in this quality it begins to work, that is, to exercise a regulating influence on economic life. The monopolistic state bank performed purely technical functions in the maintenance of financial accounts and the issue of credit. And it was most often issued regardless of whether or not it would be returned and whether it would yield an economic effect or be written off. Many people got in the habit of

borrowing from the state and not paying it back, which put our economy in an impasse.

If a commercial bank were to operate that way, it would go bankrupt. More precisely, its founders and shareholders would go bankrupt, for they would lose their capital and there would be no one to appeal to. For this reason, the shareholders in the person of their council will be extremely cautious about loaning out money. And what if they nevertheless make a mistake and the new business does not yield the expected effect? In this event, the bank will set up a "risk fund" that will make it possible to liquidate losses and to invest the remaining assets in a more dependable business.

Is the formation of the capital market proceeding so serenely? It must be said that our republic merchants have not yet felt the monopolistic pressure of Gosbank. Still, the first perplexity has already arisen at the founding shareholders' meeting. Why, for example, must an independent commercial company be registered in Moscow with USSR Gosbank? Why must it ask for permission from above? Will not the imperial monopolist resist the coming freedom in the future as well? Business people have a reasonable fear that the newly created structure will become part of the Gosbank of the country or republic.

Well, many of these questions will be cleared up by the laws on banks and by the debates about them in the USSR Supreme Soviet. The fate of the transition to the market and the efficiency of the economy will depend to a considerable extent upon how liberal these laws are.

Lithuanian Third Quarter Retail Price Index Published

914D0039A Vilnius EKHO LITVY in Russian
18 Oct 90 p 3

[Article by Lithuanian Republic government statistics department: "On the Retail Price Indexes"]

[Text] This year retail prices of non-food goods are being watched in Kaunas, Shilute and Rokiskis, as well as Vilnius.

According to data from selective observation of retail prices, the overall price index of all non-food goods, characterizing the relationship of prices in the four cities in the third quarter of this year with those of last year, was 107.6.

Price for cotton cloth increased 17 percent, including 1.3 to 1.5-fold for dress fabrics, bleached cloth, and terry cloth towels. The prices of woolen fabrics were 7 percent higher, including 13-14 percent for woolen coat fabric, part-wool suit fabric, and men's thick woolen cloth.

Prices for men's clothing increased nine percent. Men's shirts made from mixed fabric, and trousers made from part-wool fabric increased in price 9-11 percent, and men's jackets made from synthetic fabric with artificial fur increased 18 percent.

Women's clothing was 13 percent more costly. There was a substantial rise of 28-36 percent in the price of women's jackets made from synthetic fibers with warm liners, and in the price of cotton print dresses, and a rise of 12-16 percent in the price of women's winter wool coats, and in women's raincoats made from mixed fabrics.

Compared with the third quarter of last year, the prices of clothing for school-age children increased as follows: 100 percent for artificial fur winter coats; 22-29 percent for cotton dresses, and locally produced trousers made from jeans fabric; 14 percent for school uniforms made from part-wool fabric for senior classes. Bed clothing for children and shirts for nursery school age children increased in price 18-22 percent.

The prices of knitted goods increased significantly: 32 percent for women's suits and dresses; 11 percent for children's knitted outer wear; 6 percent for knitted underwear.

Women's elastic tights increased in price 13 percent; children's cotton tights and stockings increased 25-28 percent.

Prices for men's good-quality natural leather shoes increased 30 percent; those for women's good-quality natural leather shoes increased 13 percent; sports shoes 26 percent; rubber shoes 7 percent.

Refrigerators, washing machines and watches increased in price 4-7 percent; black and white television sets 19 percent.

In the third quarter of this year prices for cooperative-made products were higher than state prices: 1.6-fold for sewn and knitted wear, and 2.3-fold for shoes.

The following data characterize changes in prices of the main commodity groups:

	Third Quarter 1990 compared to Third Quarter 1989, in percentages
Fabrics	107.2
Clothing and linens	110.6
Fur and fur products	101.5
Hats and caps (except fur and knitted)	100.3
Knitted wear	113.3
Stockings and socks	109.7
Footwear	103.3
Soap and synthetic cleaning products	104.6
Perfumes and cosmetics	125.9
Dry goods	103.3
Yarn	105.3
Tobacco products	155.9

	Third Quarter 1990 compared to Third Quarter 1989, in percent- ages
Products for cultural purposes	104.3
Everyday products	104.0
Furniture	103.9
Rugs and rug products	99.5
Electrical products	103.2
Metal kitchenware and metal domestic articles	132.1
Chinaware and glazed pottery	85.8
Medicines	89.9

The department of statistics in the third quarter of this year observed the prices of non-food products on the "black market." Prices on the "black market" were significantly higher than state retail prices: 3-4 times for imported women's spring and fall coats; 2.7-fold for locally produced pre-school age children's coats; 2-4 times for school age girls' dresses, boys suits and trousers; and 3-5 times for men's socks and women's tights.

Prices for leather shoes significantly exceed state retail prices: 3-5 times higher for men's and children's winter shoes; 2-3 times for women's and children's shoes; and 7 times for men's boots.

Electrical products are also much more costly. For example, the Minsk-15 refrigerator is 5.5 times higher; the Feya washing machine is 8.3 times higher; the Audra electric vacuum cleaner, coffee grinder and electric mixer are 4 times more costly; an electric iron is 7 times; and the Shilyalis color television set is 3.2 times higher in price.

Imported perfumes and cosmetics cost 2-5 times more on the "black market." Prices for furniture are 2-3 times higher. Prices for medicine are very high. For example, the price of Nitrong and Festal are 6 times higher than the state price; Corvalol is 10 times higher; and Panzinorm (Panzinorm) is 18 times higher.

The prices of certain products in state trade and on the "black market" are shown in the table:

Name of product	Price in state trade (rubles per unit)	Price on "black market" (rubles per unit)
Women's fall and spring coats	200	800
Men's winter coats	300	1,000
Men's fall and spring coats	250	700
Women's raincoats	160	550
Men's raincoats	150	600
Dresses for school age girls	25	60
Suits for school age boys	21	80
Women's knitted suits	200	1,000
Men's winter boots	70	400
Men's shoes	50	350
Women's winter boots	150	500
Winter boots for pre-school age children	25	100
Winter boots for school age girls	30	150
Cupboard (three-drawer with entresol)	259	800
Zunda sleeping set	1,039	3,000
Coffee service (for six)	30	150
Minsk-15 refrigerator	455	2,500
Feya washing machine	60	500
Audra electric vacuum cleaner	58	250
Coffee grinder	13.50	50
Electric iron	7	50
Shilyalis color television set	740	2,400
Podolsk sewing machine	250	3,000
Bricks (1,000)	75.80	600
Linoleum (cubic meter)	4.10	15
Zhiguli VAZ-2107 passenger car	9,720	90,000

INDUSTRIAL DEVELOPMENT

'Ailing' Latvian Economy Assessed

Industrial Production Falls

914A0111A Riga SOVETSKAYA LATVIYA in Russian
22 Sep 90 p 2

[Article by E. Amerik, economics columnist for SOVETSKAYA LATVIYA, under the rubric "Latvia: Today and Tomorrow:" "A Recession. Again a Recession"]

[Text] The republic's economy today can be compared with a patient who only recently was walking with difficulty, but now is totally bedridden. Such a comparison inevitably comes to mind when you compare the unfavorable results of the first six months with the even more unfavorable results of the first eight months of the year.

The decline in the rate of increase in production and its effectiveness continued, and tension in the consumer market has increased. The total volume of industrial production during the period January-August decreased by 54.6 million rubles or 0.9 percent compared to the same period last year. In turn, this decrease was even greater in August—2.8 percent. Output of products declined to one extent or another at 180 associations and enterprises. This is 59.8 percent of their total number. It is particularly a pity that a noticeable decline in production is taking place at enterprises whose products have an increased demand. Above all, the reproach pertains to such collectives as the "Rigas Tekstils" Production Association, where the volume of product output decreased by 4.7 percent during the first eight months; the Ogre Spinning and Knitting Production Association, which had a decline of 5.3 percent; and the "Sarkanays Rits" Production Association, which had a decline of 10.8 percent.

There also was a marked decline in production at the "Ausma," "Sarkanays Kvadrats," "Ritms," "Kompresor," and "Vtorchermet" production associations, the "Rigaselmash" and "Yelgavskiy" plants, the Riga Base of the trawling and refrigerator fleet, the Olayne Plastics Processing Plant, and many others. Of course, all this also makes the situation more complicated in the already out-of-balance market for consumer goods and other goods.

Therefore, those collectives that, despite material and technical supply difficulties, still managed not only to maintain last year's level but even to surpass it considerably deserve approval. These include: the "Layma" Confectionery Factory, where the volume of product output increased by 36.7 percent compared to the first eight months of last year; the "Aurora" Hosiery Factory, where it increased by 12.2 percent; the "Daytrade" Production Association, with an increase of 11.6 percent; the School and Children's Furniture Production Association, with an increase of 9 percent; the Riga

Machine-Tool Attachments Pilot-Production Plant, with an increase of 8.5 percent; the Yauntsiyemskaya Paper Mill, with an increase of 8.2 percent; and the "Dzintars" Perfume and Cosmetics Production Association, also with an increase of 8.2 percent.

For the sake of fairness, we will note that in some cases the high rate of increase was, to a considerable extent, caused by the price factor. Nevertheless, we should support the collectives that are increasing the output of products, especially consumer goods. This is very important today when we are preparing for the transition to market relations.

A stable production tempo is also a determining condition for successful fulfillment of contracts for product delivery. How is the situation taking shape here? I will say frankly that the picture is not bright. In the first eight months, shortfalls in delivery of products to consumers in accordance with concluded contracts amounted to 54.5 million rubles, which is 1.3-fold greater than in the corresponding period last year. During August alone the volume of undelivered products increased by 11.2 million rubles. As a result, contract obligations for deliveries were only 99.1 percent fulfilled (98.5 percent for the country as a whole).

Sixty-seven collectives, or 24.5 percent of the total number, did not fulfill their obligations. In August alone, 11 enterprises joined the list of those lagging behind. You see, it is not simply a matter of several tens of millions of rubles or some nine-tenths of a percentage point. The essence is much deeper: these are thousands of descriptions of goods which the customer was counting on receiving. In one case, the unobliging nature of suppliers most directly had an adverse effect on store shelves and thus aggravated the social tension in the republic. In another case, a cooperating enterprise, not receiving materials and component parts on time, which sometimes were inexpensive in terms of money, was unable to produce products worth many millions of rubles.

The "Rigas Tekstils" Production Association occupies one of the "leading" positions among the debtors. During the period January-August, it owed its consumers more than 7.3 million rubles; it met only 91.8 percent of its contract obligations. The situation is no better at the Daugavpils "Khimvolokno" Production Association, where various consumers did not receive products amounting to six million rubles; only 94.9 percent of the delivery quota was met.

The "Riga" Furniture Production Association also has a large debt, which has reached 4.8 million rubles; the "Rigas Manufaktura" Cotton Association has a debt of 4.4 million rubles; the Riga Diesel Building Plant has a debt of 2.5 million rubles; "Rigaselmash" Plant has a debt of 2 million rubles; the Brotseny Cement and Slate Combine has a debt of 1.5 million rubles; and the Olayne Plastics Processing Plant has a debt of 1.4 million rubles. The Ogre Spinning and Knitting Production Association,

the "Saule" Textile Combine, the "Lenta" Textile and Dry Goods Mill, the "Astotays Marts" Combine, the "Latrybprom" Production Association, the "Vidzemes Koks" Association, and the Tukums Furniture Combine have not fulfilled contract obligations amounting to large sums.

Why has delivery discipline become so relaxed? There are many reasons. Not everything always depends on the manufacturers. Recently, we have been encountering more and more often cases of disruption of economic ties established over the years and, thus, a sort of artificial complication of the situation already lined to the shortage of material and technical covering of the production program. It is totally inexcusable when ties are disrupted between enterprises within our republic, sometimes simply due to egoism. Unfortunately, these are not isolated examples.

The practice of exchange in kind, which is becoming increasingly more widespread, is making itself noticeably felt. The principle of "you do for me and I will do for you" is becoming characteristic in mutual relations between enterprises. Those who have nothing other than money to offer, and there are quite a few of them, are left empty-handed. They simply cannot function in a short-supply market. In recent months, another substantial problem has been added. Due to a shortage of convertible currency for the state and enterprises themselves resulting in late payments to foreign states, imports of raw materials and materials are being reduced. Many collectives depend on these imports.

A critical situation with supplying material resources for production has been created at a considerable number of enterprises of light industry, food industry, chemical industry, woodworking industry, and construction materials industry. As a recent survey showed, at 40 associations and plants the degree production is supplied with basic materials and assembly parts is approximately 70 percent. It is especially alarming that they include more than one-third of the collectives specializing in production of consumer goods. Here, of course, we cannot manage without effective and interested assistance on the part of trade and intermediary firms of the republic's Ministry of Material Resources, as well as staffs of concerns and associations.

At the same time, poor delivery discipline has sort of become a part of the very practice of economic management at the enterprises themselves. Not everywhere are products being produced in the assigned volumes and assortment as required by economic contracts. Let us say, out of 106 of the most important types of products, in physical terms the quota was missed to one extent or another for 54 of them; as a result of this, there was a delivery shortfall amounting to 120 million rubles.

These are such important products as chemical fibers and filament, paint and varnish materials, thermoplastic pipes and pipeline parts, diesels and diesel generators, electric light bulbs, automatic telephone exchanges, industrial

robots, refrigerating plants, agricultural machinery, milking machines, plywood, wood particle board, cement, and many types of consumer goods. The disruptions cannot be explained just by the lack of resources. An internal lack of organization and omissions in intraplant planning also had an effect. Some economic managers consciously do not fulfill contract obligations; a so-called *diktat* of the supplier has been implemented.

But here one must take into account that they all are also consumers. If a plant does not wish to give up some resources, it is not out of place to remind him that he is the consumer of a whole gamma of products, without which he cannot manage. Selfishness is not the best prompter in commerce. But then, greed and the inability to establish business contacts also never became a source of well-being. We should not forget this ourselves and should not be ashamed of reminding monopolists who have gone to extremes about these truths.

The year 1991 is not far away. The time has come to prepare for it actively and thoroughly. Its rhythm is largely being set already today—when concluding contracts for delivery of products. How is this work going? On the whole, the course of this campaign leaves little for us to cheer about. As of the beginning of September, only 2 billion rubles worth of contracts for delivery of industrial products have been concluded, or 24.4 percent of the volume enterprises plan to include in their program. This is much less than at the same time last year.

A large number of collectives have not even properly begun this work. For example, enterprises that make up the republic production association "Latvijas Mezhs" have concluded contracts for 0.9 percent of the volume of products planned for delivery next year. This indicator is not much higher for the "Latvijas Tseltnieks" Association—1.4 percent, the Riga Diesel Building Plant—1.5 percent; and the Ventspils Fan Plant—0.5 percent. Enterprises of the "Latvijas Koks" Production Association, the "Latvbytkhim" Production Association, and 27 union-subordinate enterprises have not even begun concluding contracts. What causes concern is the fact that collectives are slow in concluding contracts for delivery of consumer goods. These enterprises include 33 associations and plants of union ministries.

You can hear the following: there is more than enough time before the beginning of the new year. They say, everything will settle down by itself. After all, many problems are waiting to be resolved not at the enterprise level. For example, take price formation, the new system of taxation, and a number of other aspects which are still unclear to this day. Balancing the production programs themselves with resources is also difficult. Unquestionably, these and other problems have a direct bearing on today's contract campaign. However, would it not be more reasonable to counter chaos with efficiency and initiative? After all, the market is by no means a natural element, nor is it anarchy, but above all it is strict fulfillment of economic obligations. That is how they

operate throughout the civilized world, and we all must learn civilized economic management.

Impediments to Stabilization Viewed

914A0111B Riga SOVETSKAYA LATVIYA in Russian
22 Sep 90 p 2

[Article by Erik Kekhris, LETA correspondent: "The Threat of Chaos Grows: Meeting of the Latvian Council of Ministers"]

[Text] On 19 September, the government of the Latvian Republic and leaders of city and rayon executive committees [ispolkoms] and the largest enterprises discussed the situation in the republic's economy. The economic situation looms in a dismal light. A decline is being observed in all spheres and sectors of production.

Janis Aboltins, minister of economics, cited the following main factors that are impediments to stabilizing production:

- the old system of administrative coercion is not working, and a new specific manager has not yet been found who would bear responsibility for the functioning of property;
- state enterprises, cooperatives, kolkhozes, and sovkhoses are operating within the limits of their economic capabilities and taxation and wage condition. Guaranteed income, especially for managers, does not induce them to undertake more effective forms of economic management;
- cooperatives exploit state property in their activities at enterprises;
- voluntaristic price formation and the lack of compensation to the state for damage out of the pockets of the persons responsible (J. Aboltins cited increasing rent for Yurmala summer cottages as the most scandalous example. As a result of this, only one-third of the cottage area was utilized this summer. In a number of cases, cottages have been destroyed or burned down, but this was in no way reflected in the well-being of those who made the decision);
- financing unprofitable enterprises from the state budget;
- deliberate or unknowing opposition to measures for currency stabilization (the decree of the Riga City Soviet of People's Deputies on halting the sale of apartments was cited as an example).

J. Aboltins recommends the following to stabilize the situation:

- we should begin privatization of small businesses in agricultural equipment, transportation, and trade without waiting for the laws which are being discussed by the Supreme Soviet slowly in arguments about insignificant issues. It is already apparent now how privatized transportation and machinery itself are looking for work;
- the law on business activity, which the Supreme Soviet is scheduled to consider next week, must be

introduced immediately after it is passed. Then the conditions of activities of cooperatives and state enterprises will be equal;

- increase the exactingness in use of the wage fund and halt the payment of unearned money;
- joint enterprises in which foreign capital comprises less than 30 percent should be taxed from the first day of their activities;
- introduce real customs monitoring effective 1 October;
- place the activities of the finance inspectorate exclusively on an incentive basis, paying inspectors according to budget payment receipts from the enterprises they monitor.

Ivars Godmanis, chairman of the Council of Ministers:

- We are steadily sliding downward with an annual inflation growth of about 15 percent;
- producers pay for their raw materials with their end product. Often this has to be done on unprofitable terms, otherwise the enterprise stops. As a result, the volume of production is reduced by only several percent, but deliveries into the republic's trade network decrease much more;
- enterprises conclude direct contract, completely disregarding the consumption needs in the republic. Enterprises receive import products for exported goods and sell them to their workers for personal use or for further sale in Rumbula at prices many times higher. The next day they demand an answer from the government as to why the stores are empty. Some joint enterprises further export abroad the raw materials (leather) received from the East. The enterprise ostensibly is operating and feeling satisfaction with its own activities, but there are no shoes in the stores. The same can be said about other light industry goods. We must break this trend. Yesterday the Supreme Soviet could not pass a law on ownership. From my viewpoint, everything that is located in Latvia is the property of the Latvian Republic. If the opposition faction still does not understand this, let it go to Russia and become familiar with this issue. This decree has already been adopted there. The enterprises of the military department are also the property of Russia;
- we will provide tax incentives for enterprises that participate in forming the necessary exchange fund for acquiring grain, energy, and coal. Those enterprises which ship their end products to other republics are also asking us for these products;
- although the central government exists only formally, some of the enterprises in our republic are subordinate to the central ministries. A minister has the right to remove a director from his post. This situation is unacceptable on the territory of Latvia. We must abolish the sadly well-known director elections, changing the statute on state enterprise. The state of Latvia, which the government represents through the instrumentality of ministries or other special bodies, should be the only subject of property. Otherwise we will find ourselves in absolute chaos;

- in the rural areas we will continue to support truly profitable farms and will be merciless to unprofitable ones. The land of the latter should be used in other forms of economic management;
- we must speak out sharply against disorders in trade. Store managers only sign invoices and receive money, and neither they themselves nor the buyers see the commodity. It goes directly either beyond the borders of the republic or to cooperatives, which find various opportunities to sell it. On paper the commodity turnover plans are overfulfilled both in the system of consumers' cooperative societies and in the Ministry of Trade. Well, we will not pay the wages and we will close the stores. Then we will see how the respected store managers react. Maybe we should establish a three hour work day, displaying in the shop windows models of all goods received. Let the customers themselves find out about the relations with merchants who sign "empty" invoices;
- privatization of small businesses and stores should be accomplished by local self-government on its own responsibility without creating any additional structures for this purpose.

Udmurt ASSR Problems from Defense Conversion

90SV0088A Moscow IZVESTIYA in Russian 22 Sep 90
Morning Edition p 2

[IZVESTIYA interview with V. Solovyev, first deputy chairman, Council of Ministers, Udmurt ASSR, in Izhevsk: "Soviets and Conversion"]

[Text] IZVESTIYA's correspondent speaks with V. Solovyev, RSFSR People's Deputy and first deputy chairman, Council of Ministers, Udmurt ASSR, on the subject of effecting harmony between the interests of local authority and the military-industrial complex.

[IZVESTIYA] Now that the veil of excessive secrecy is being lifted in various areas of our life, including defense, the Soviet individual is starting to experience revelations. I mention the term "Soviet individual" for a reason. Foreign countries have known about our "secrets" for some time, judging from what we read in the press. Nevertheless, the fact that Udmurtiya possesses a tremendous economic potential that is employed to fill defense needs has come to light only recently. Vitaliy Aleksandrovich, is it possible that the republic and its people derived great benefits from this situation, even though this was something that was not made public?

[Solovyev] Be that as it may, industrial development progressed largely because of the increasing military-industrial complex. Instrumental here have been the latest technologies, which are responsive to the most modern requirements. Likewise, this attracted the best cadres, the intellectual elite, I may say. Compared with other branches, these people had no complaints about their salaries or social benefits. Nevertheless, to say that the defense complex made a major contribution to the area's welfare would be an overstatement.

[IZVESTIYA] In that case, can conversion help to improve the situation in a short period of time, by adding more goods to store shelves and providing local soviets with the means to satisfy the populace's needs?

[Solovyev] Well, conversion is not something that came about yesterday. Good minds tackled the problem some time ago and even initiated undertakings in this regard. Take the association Iz mash. The consumer goods it produces are 190,000 motor vehicles a year, more than 350,000 motorcycles, and quite a number of other products. It produces more goods per ruble of pay than any other branch facility, incidentally. Defense plants manufacture washing machines, baby carriages, home radios and tape recorders, hunting and sporting guns, and tools for use in the home. In the offing are compact disc players, microwave ovens, multipurpose food preparation utensils for the home kitchen, video cassette recorders, watches, insulated food containers, etc.

However, the general picture is not particularly comforting. We supply commerce with almost 3.5 billion rubles' worth of merchandise, an amount that places us in a leading position in Russia, but we still cannot make ends meet. We are being strangled by all manner of shortages, the same as the entire country. Conversion could be a great help in overcoming these difficulties, to be sure. But only if it is implemented in an effective, well-thought-out manner, not haphazardly. In this connection, the initiative should shift progressively from the central departments to regional control organs and local soviets.

[IZVESTIYA] These organs until very recently were kept completely uninformed and powerless as far as the defense establishment was concerned. The story is told of how about a dozen generals arrived by helicopter to make their "airborne landing" in the local stadium of the town of Kambarka. It was only then that many local residents learned of the existence of an installation known by number only. Can it be said unequivocally and without exaggeration that our taxpayers and voters living in thousands of towns and villages have no idea of where, how and why their hard-earned money is being spent? These people's interests are clearly being ignored. How to overcome this inveterate alienation? Is it not possible to lay out all the cards on the table in front of the people?

[Solovyev] It is not only possible, but necessary. And the sooner, the better. In my view, this—not merely demilitarization of the economy—constitutes the essence of conversion. Until very recently it was not possible to mention in conversation let alone in print that the Meteor plant was under construction in Izhevsk. Only certain specialists were aware of special-purpose products that were to be manufactured there. The plant has since been realigned to produce civilian items, such as the first lot of the Infit, a device that relieves a feeling of tiredness, reduces blood pressure, and alleviates stress

and pain symptoms suffered by a patient after an operation. It is there that plans are being laid to produce microwave ovens, an item that is very convenient for housewives.

It seems that we are interested in mastering the production of new articles and manufacturing them in amounts greater than the plans would call for. The idea here is for a certain portion of the output—exactly half, to be exact—to remain with us for our disposal. Thus, the Votkinskiy Zavod association, which initiated conversion as far back as the time of stagnation and ceased producing SS-20 missiles, has made plans to go beyond the production quota for Feiya washing machines by 80,000 units. So, it has come about that at least 40,000 units will appear in the intrarepublic marketplace. In the event an even larger amount will be produced, say 600,000 Feiyas instead of 500,000, we will be able to expand our barter arrangements with other areas.

However, what sense is there in Udmurtiya's receiving 370 passenger cars when it produces 100,000 of them? Our auto plant has a 100-percent state plan, and there are no signs of a letup. We do not have our eyes set on all items produced in the republic. Nevertheless, the latter has a vital need for a kind of "merchandise bank," the absence of which renders the conclusion of mutually advantageous arrangements with partners difficult and even at times impossible.

[IZVESTIYA] Vitaliy Aleksandrovich, it is a fact that the Americans are very diligently looking for all kinds of ways to restructure their military-industrial complex. They realize that they can make a mistake if they do not proceed carefully. Can it be assumed that our country has made suitable plans and that they have been coordinated with local soviets? How are they being implemented in Udmurtiya?

[Solovyev] Conversion should provide an increase in consumer goods output of 54 million rubles this year and almost half a billion rubles by the end of 1995. Fantastic growth is indicated for some places. For example, the Chapetskiy Mechanical Plant association is effecting a 20-fold increase in consumer goods production. It would appear that we could rub our hands with glee, with fewer demands made by defense branches. Alas!—that is not the case. With the commencement of disarmament, industrial output in our republic has already decreased by over one billion rubles. This has brought about a number of losses for labor collectives, that is, for residents of the republic.

In the first phase of conversion, local authority, which in this area is interested in working closely with the military-industrial complex, has been shunted aside. It is as if there is shame attached to asking the territory what kinds of goods should be made to satisfy its needs. It is essential for the chairman of the local soviet, as it is for the enterprise, that reduction in output of military products be compensated for by civilian items, including

consumer goods, of commensurate complexity. Importance attaches to maintaining the present level of profit and wages, quality of technology and product prestige, social privileges and qualification status of cadres.

Retention of the above advantages is only rarely possible. It is more the exception than the rule. In this connection, conversion started off on the wrong foot: Product planning was done without rhyme or reason; no arrangements were made for supplying raw materials; organizational blunders were committed. In addition, some enterprises have not terminated but merely reduced their production of military items. This has resulted in sharp drops in output, disappearance of assignments, and diminishing of pay. This kind of situation leads to the formation of pockets of economic want and unemployment, to human dramas, in general.

[IZVESTIYA] It resounded far beyond the borders of Udmurtiya—the "quiet shot" with which V. Sadovnikov ended his life. He, the former director general of the Votkinskiy Zavod association, was an outstanding captain of domestic industry and twice-decorated Hero of Socialist Labor. If we ignore the strictly personal motives, this tragic case serves to illustrate the sometimes extremely difficult changes in outlook and sacrifices that conversion can wreak. Vitaliy Aleksandrovich, does it not seem to you that we have set into motion a highly complex process without creating a mechanism that would soften the impact of critical situations, without providing a system for effecting social adaptation of people?

[Solovyev] I count myself among the pupils of Vladimir Gennadiyevich Sadovnikov, and I would like to here and now dispel the untruths that are being attached to his name. Speaking of the problem in general, I say that, even in the noble matter of conversion, we seem to be returning to a time of darkness by exhibiting a crude technocratic approach whereby managers, engineers, laborers—all people—are treated as mere cogs. This kind of approach has already exacted a toll from tens of thousands of highly-skilled cadres. Many of them left manufacturing to work for cooperatives, and there is no way to bring them back to their former jobs. Of the ones that remain, many must undergo retraining to take up work requiring lower qualifications, with attendant drop in pay. In addition, they have lost the benefits that went with their jobs, be it their position on the apartment waiting list or the privilege of purchasing a particular item distributed through the collective. This cannot fail to cause conflict in the workplace. In my view, that is why it is essential to effect a set of measures designed to relieve social tensions. This would include making available considerable sums of money to compensate for material losses and to pay for job retraining.

The time has also come to set up a labor exchange. The town of Glazov is already in need of this kind of institution. Estimates have it that 12,000 to 15,000 of our workers will lose their jobs in about the next two years due to conversion. Our specialists, working jointly

with the SRI for Labor at the USSR Goskomtrud [State Committee for Labor and Social Problems], have arrived at a concept of labor exchange for modern times which would utilize the entire Russian experience. What are the provisions of the bill that has been submitted for approval to the Udmurt Republic's Supreme Soviet? One of them states that the jobs offered by the labor exchange should be assignable as a strictly municipal function; they would in no case be taken away from local authority, instead be always kept for the unemployed.

[IZVESTIYA] It is obvious that the human aspect of conversion depends entirely upon constructive activity of the territorial organs of local control and authority. However, the way is being paved for a market economy, and this does not permit any interference with the functioning of enterprises. What can the soviet do about this kind of situation?

[Solovyev] Let me answer that by saying that the soviet itself is endowed with the authority to launch activities of an enterprising nature, an example being the creation of enterprises of widely divergent types. The labor exchange itself must function as a commercial organization so that it does not suffer failure. In addition, a municipality can acquire shares to become a co-owner of joint stock companies, even of enterprises that are undergoing conversion. A share owner is legally authorized to participate both in product management and selling the products, to say nothing of enjoying the profits.

[IZVESTIYA] Nevertheless, the reality is still such that in Udmurtiya, the same as in dozens of republics, krais, and oblasts that are experiencing pain in the conversion process, the influence of local authority on this process is minimal. In this area, soviets are just starting out on this thorny path. What is it that is most essential to the initiation of harmony of mutual interests of the territory and defense branch?

[Solovyev] Measures to that effect we are developing will be incorporated into a republic conversion program. You may think of it as a program representing a common meeting ground for us and the defense people, one flying in a new and higher orbit. On a broader scale, we must become a part of the Uralkonversiya program in progress, one that is very important to the establishment and strengthening of manufacturing ties to related industries in the far-flung Ural area. Another point of cooperation is expansion of contacts with the Ural and Volga republics.

It is unfortunate that in much of this we must feel our way, suffering falls and bruises as we go. That may be permissible in the beginning, but in the future—and demilitarization will continue for some time, I assume—the trial and error method must eventually be abandoned. This means that there is an urgent need for a USSR law on conversion. It would have as a primary purpose the delineation of the interrelationship between the central and local authorities in the implementation

of conversion and higher political, economic, and military management cooperation with regional organs and labor collectives of defense enterprises slated for realignment. There also is a need to implement on a state level a general program that would furnish a clear statement of priorities and of a system for everyone that would cover the financial, technical, and materials aspects.

In conclusion, I wish to state that the military-industrial complex possesses a potential that could radically transform the national economy via conversion. Izhevsk weapons are known throughout the world. This being so, there should be more Kalashnikovs who could create goods for the people. The renowned plants are fully capable of producing for us goods of the highest quality.

Ukrainian 9-Month Economic Statistics Issued

914A0119A Kiev PRAVDA UKRAINY in Russian
26 Oct 90 pp 1, 2

[Ukrinform article: "The Ukraine's Economy: The Rates Have Declined. UkSSR Goskomstat [State Committee for Statistics] Sums Up the Republic's Socioeconomic Development Totals for Nine Months of 1990"]

[Text] The republic's socioeconomic development totals for nine months indicate that negative tendencies caused by the disruption of economic relations have continued to grow in the economy. The volume of industrial production, construction, and national-economic freight shipping has continued to decline and the state of labor and contract discipline has deteriorated. Targets for grain sales to the state are not being met and less fodder for social animal husbandry has been procured. The volume of production and procurement of meat and eggs has declined. The crisis situation in the consumer goods market is intensifying, the list of goods that are becoming scarce is growing, and speculation is on the rise.

The gross national product for January-September of the current year compared with the corresponding period last year increased by two percent, produced national income—by 0.9 percent, and the productivity of social labor—by 1.6 percent. The preparation of the national economy for work during the fall and winter period is lagging. On 1 October, 92 percent of the republic's state housing fund was ready for winter.

State budget revenues in January-September totaled 31.8 billion rubles or 2.5 billion rubles more than during the corresponding period last year. The national economy (excluding agricultural organizations, Gonstrakh [USSR Ministry of Finance Main Administration for State Insurance] organs, consumer cooperative organs, and cooperatives) realized 0.8 billion rubles (3.1 percent) less profit than in the corresponding period last year. Profits declined in industry.

State budget expenditures for January-September totaled 29.6 billion rubles. In the structure of expenditures, 14 billion rubles (47.3 percent of all budget funds) were allocated for the financing of the national economy.

14.4 billion rubles (48.8 percent)—for sociocultural measures, and 0.5 billion rubles (1.6 percent)—for the maintenance of state power and government.

The repayment of 1955-1956 loans was completed by an expenditure of 1.1 billion rubles. This fact notwithstanding, the release of money into circulation was 18 percent lower compared with the corresponding period last year and totaled 0.6 billion rubles on 1 October 1990.

The population's money incomes in January-September of the current year compared with the corresponding period last year increased by 15.8 percent and totaled 78.8 billion rubles. The average monthly monetary wage of blue- and white-collar workers in the national economy rose from 214 rubles in January-September 1989 to 234 rubles in January-September 1990; collective farmers' pay increased from 156 to 176 rubles. The population received 24 billion rubles in payments and benefits from social consumption funds, which was 1 billion rubles more than for nine months last year.

The population's cash on deposit in USSR Savings Bank institutions on 1 October 1990 totaled 79.2 billion rubles, which was 5 billion rubles more than at the beginning of the year.

The population's expenditures increased by 16.2 percent. The excess of money incomes over expenditures was 512 million rubles (in January-September 1989—677 million rubles).

Compared with January-September 1989, the expenditures of blue- and white-collar families on food increased by five percent; on nonfood commodities—by 15 percent; the respective expenditures of collective farm families increased by 12 and 10 percent. Prices of goods and services rose. Their summary index in January-September was 104 percent.

The level of prices of nonfood commodities was five percent higher compared with the same period last year; growth occurred in practically all types. State retail prices of such foods as bread and bakery goods, fats, fish products, milk products, eggs, sugar, groats, and pasta remained the same. At the same time, there was a significant increase in the prices of potatoes, vegetables, and fruits. There was a sharp increase in prices in the collective farm market where they rose by 25 percent in January-September compared with the same period last year. Prices of services in January-September were 3.6 percent higher than for the corresponding period last year; the greatest increase—5.7 percent—was in prices for everyday services. The cost of paid cultural services rose by 16.5 percent.

The cost of the "market basket"—the foods, nonfood commodities, and services that are required to satisfy needs at the minimum level—increased by 4.1 percent.

The situation with the consumer goods supply is not improving. The value of industrial output in January-September was 60 billion rubles (in retail prices)—3.5 billion rubles or 6.3 percent more than for the corresponding period last year. The increase in the production of consumer goods (excluding wines, spirits, and beer) was 5.5 percent, but this was half the level planned for the current year (11 percent).

Food production during nine months increased by 397 million rubles or by 1.7 percent. However the state plan for the year was fulfilled by only 66 percent. Enterprises of branches in the agroindustrial complex fulfilled their contractual obligations by 99.6 percent in January-September. The shortfall in deliveries of produce was 86.4 million rubles, which was more than three times the indebtedness of enterprises in the first half of the current year. What is more, enterprises belonging to UkSSR Gosagroprom [State Agroindustrial Committee] account for almost the entire shortfall in deliveries of produce.

Thirty-one billion rubles' worth of nonfood commodities were produced in 9 months. This was 2.4 billion rubles (8.3 percent) more than in the corresponding period last year. The increase in the production of these commodities is primarily based on sophisticated household appliances and other consumer durables, the production of which rose 12 percent. This substantial increase is to a significant degree conditional on conversion in the defense complex (the increase in consumer goods production at enterprises in this complex in January-September was 19 percent. High growth (21 percent) was attained in the machine building complex. Light industry produced 11.9 billion rubles' worth of products. This was an increase of 268 million rubles or 2.3 percent. There were no positive changes in the increase in the production of light industry products. Their retail prices rose primarily as a result of the increase in the production of relatively more expensive goods that are sold for contract prices.

In the second half of the current year, there was a certain slowdown in the growth rate of both domestic and imported goods. This led to the increased disproportion between the growth of the population's money incomes and the supply of commodity resources on which to spend them. This exacerbated the situation in the consumer goods market still more and promoted speculative demand and extraordinary, compared with usual, purchases of goods.

The overall volume of commodity resources channeled into trade secured the increase in retail trade turnover in January-September in the amount of 8.3 billion rubles in actual prices, or 16.4 percent more than for the same period last year. At the same time, there was a slackening of growth rates in the third quarter: 14.6 percent instead of 17.5 percent in the first half of the year. A positive feature of trade turnover in the current year is that its growth was predominantly (77 percent) the result of real commodity, including alcoholic beverages.

The sale of margarine, cheese, canned vegetables, eggs, meat products, canned fruits and berries, sugar, butter, milk and dairy products, flour, bread, bakery and confectionery goods, vegetable oil, tea, groats, peas and beans, and pasta increased in nine months of the current year compared with the corresponding period last year. However trade in all types of food is strained. Even goods that were previously available in a sufficient assortment—flour, groats, canned fish, eggs, and other goods—became scarce. The increase in retail trade turnover attained in the past period was predominantly in the form of nonfood goods, the sale of which rose by 21 percent.

However the situation in trade in light industry products remains unsatisfactory. Trade in electrical household appliances, radioelectronic equipment, furniture, dishes, and other goods is beset with scarcity. This forces the population to turn to the services of second-hand dealers and speculators.

The republic's labor resources total 29.5 million persons. Employment in all spheres of activity totaled 25.3 million. At the same time that the work force in the state sector of the economy declined by two percent, the work force in cooperatives engaged in the production of goods and services (excluding multiple jobholders) increased 1.4-fold.

New forms of management are developing. Three hundred fifty industrial enterprises (290,000 persons), 11 construction trusts, 23 construction administrations, 115 retail trade and public catering enterprises, 43 everyday services enterprises and consumer service centers, 580 everyday services ateliers and shops, and four general-use automotive transport enterprises have been operating on a lease basis. The number working in cooperatives totaled almost 900,000 persons (including multiple jobholders).

The size of the population that is temporarily not working, which according to the methodology of the International Labor Organization could be classified as unemployed, is evaluated as approximately 300,000 persons. Given the free labor resources, there were more than 200,000 job vacancies at existing enterprises in the basic production branches at the end of September.

The state of labor discipline is deteriorating in many branches of the national economy. Losses of working time due to absenteeism, idle time, mass absence from work, and administratively authorized absence in industry and construction increased 1.4-fold compared with the corresponding period last year. Strikes affect the increase in losses of working time. In January-September, 224 enterprises and organizations went out on strike with the result that 113,400 man-days were lost. Direct losses for these reasons equaled 13.7 million rubles.

The republic numbers almost 15,000 refugees (people who were forced to migrate). In the first half of 1990, 47,000 persons were allowed to take up permanent

residence abroad. This was 2.4 times more than in the corresponding period of the preceding year. Almost one-fourth of them were under the age of 18 years. Eighteen percent of the total number of emigrants were blue-collar workers, 31 percent were white-collar workers, two percent were learners, and almost one-fourth were unemployed population and pensioners.

Indicators of the natural movement of the population are continuing to deteriorate in the current year. In January-August, the number of births decreased by 23,000; the number of deaths increased by 26,000 compared with the corresponding period last year.

The year program for commissioning dwelling houses and sociocultural facilities is in danger of not being fulfilled. In nine months, 44 percent of the planned annual volume of housing financed by all sources had been put into operation. This was 10 percent less compared with the corresponding period last year. The respective figures were 55 and 22 for general education schools; 33 and 68 for vocational-technical training institutions; 33 and 16 for preschool institutions; 20 and four for hospitals; 22 and eight for outpatient-polyclinic institutions; and 15 and 43 percent for clubs and culture centers.

The ecological situation remains tense in many republic cities, industrial centers, and regions. The discharge of harmful substances into the air basin from stationary pollution sources was reduced by 561,000 tons (seven percent) compared with the corresponding period last year. Nevertheless, 2,300 enterprises, or one enterprise in three, have increased their effluence by 218,000 tons.

The state order for the current year envisages the commissioning of 70 nature conservation facilities. In actual fact, however, only eight (11 percent) were commissioned in 9 months. More than half of the construction projects scheduled for commissioning in the fourth quarter are lagging considerably.

The worsening of the economic situation in the republic and the escalation of social tension predetermine the growth of crime to a considerable degree. In nine months of the current year, 258,500 crimes were registered. This was 14.1 percent more than during the same period last year. Thefts of the personal property of civilians make up over one-third of the crimes; 104,300 of them were registered—18.1 percent more than in January-September 1989. Thefts of state and public property, 47,600 of which were recorded, increased by 15 percent. Robberies and muggings continue to become more frequent: 11,300 and 2,100 have been recorded, respectively. This is an increase of 29.4 and 20.5 percent. Eighty-seven cases of theft of weapons and ammunition have been recorded. Juvenile crime is on the rise.

In nine months, production increased by 0.2 percent compared with the corresponding period last year. At the same time, production of the means of production (products in Group "A") declined by two percent, while consumer goods production (products in Group "B")

increased by 4.3 percent. Last year's level of production was not attained at enterprises belonging to fuel-energy, metallurgical, and construction complexes, to UkSSR Gosagroprom, and the UkSSR Ministry of Light Industry, and [at enterprises] in nine republic oblasts. The lowering of the overall volume of industrial production and of the production of most types of products due to the disruption of economic ties and the deterioration of labor and production discipline resulted in a decline in contract discipline. The nine-month shortfall in consumer goods totaled 1.9 billion rubles or 1.4-fold more than in the corresponding period last year. Output per worker increased 1.4 percent.

Republic farms are finishing agricultural field work. As of 22 October kolkhozes, sovkhoses, and interfarm enterprises had harvested 12.8 million hectares of grain. The gross harvest of grain and legumes (excluding corn) was good. The yield per hectare was 36.7 quintals, which was two quintals more than the yield in the corresponding period last year. At the same time, the good gross harvest of grains and legumes (excluding corn) did not have a positive impact on the fulfillment of the state order for the purchase of grain. On 22 October only 14.6 million tons of grain (84 percent of the state order) had been delivered to the republic's grain-receiving enterprises. Potato- and vegetable-harvesting operations are at last year's level. The (refinery) sugar beet harvest is more active than last year's harvest.

On 22 October 1.9 million tons of potatoes had been purchased compared with 2.6 million tons in the corresponding period last year. Vegetable purchases totaled 2.9 million tons compared with 3.3 million tons last year. Fruit purchases amounted to 837,000 tons, which was 182,000 tons or 28 percent more than last year. The state order for the purchase of oil-seed crops is not being fulfilled.

In nine months kolkhozes, sovkhoses, and interfarm enterprises produced 3.4 million tons of meat (live weight), 16.6 million tons of milk, 7.3 billion eggs, and 27,800 tons of wool. Year plans for the sale of livestock and poultry to the state (based on state resources) have been fulfilled by 73 percent; milk and dairy products—by 82 percent; eggs—by 77 percent; and wool—by 109 percent.

Contractual obligations for the delivery of many types of agricultural machinery to agriculture during the nine months were not fulfilled. Over 3,000 mineral and organic fertilizer spreaders, 1,400 grain harvesting combines, 4,000 tractor-drawn seeders, 500 disk harrows, 1,800 tractor-drawn mowers, 400 grain-cleaning machines, and a number of other machines were not delivered.

The nine-month program for commissioning 1990 state-order projects was not fulfilled: out of 89 projects (including projects carried over from 1989), 36 were put into operation. In addition, 13 projects that were put into operation ahead of schedule were counted toward the plan for the fourth quarter. Activated fixed capital financed by state capital investments totaled 9.3 billion rubles, which was six percent less than during the corresponding period last year.

The volume of incomplete construction increased by 14 percent compared with the corresponding period last year.

In nine months the volume of shipping by common carriers declined by 83.9 million tons (four percent) and totaled 1.8 billion tons. Common-carrier passenger traffic totaled 6.8 billion persons. The increase in passenger traffic was in automotive and air transport.

On 1 October subscriptions to central newspapers declined to one-fourth compared with the same date last year and totaled 4.3 million copies.

In nine months of 1990 over 1,500 republic enterprises and organizations participated in foreign economic activity. They delivered 4.3 billion rubles' worth of products for export, which was 200 million rubles more than the level for the corresponding period last year. As in the past, raw materials, supplies, and consumer goods, which accounted for 77 percent of the total volume of exports, continued to be the main items of export. There was an increase in deliveries of products to be exported for hard currency. They totaled 660.7 million rubles, which was almost two times higher the last year's indicator for the same period.

One hundred ten joint ventures were registered on 1 October 1990. However, not all of them have begun productive activity and the contribution of these enterprises to the overall volume of republic industrial production is still insignificant.

AGRO-ECONOMICS, POLICY, ORGANIZATION

Starodubtsev Interviewed on Transition to Market Economy

Agro-Industrial Development During Transition

914B0043A Moscow SELSKAYA ZHIZN in Russian
17 Oct 90 First Edition p 2

[Interview with V. Starodubtsev by S. Chudakov: "'I'm Opposed to Extreme Measures'"]

[Text]

Meetings in Our Offices

Judging by the first responses, our new column "Meetings in Our Offices" (SELSKAYA ZHIZN No 228, 5 Oct 90) has met with interest on the part of our readers. Today the editors' guest—which means, your guest—is the chairman of the USSR Peasant Union, USSR People's Deputy Vasily Aleksandrovich Starodubtsev. The current state of the peasantry, its economic, social, and legal protection, what kinds of measures the Peasant Union might employ to facilitate a resolution of accumulated problems, and how its chairman views the further development of the agro-industrial complex under market conditions—this is where the meeting in our offices began.

"I'm opposed to extreme measures," Vasily Aleksandrovich Starodubtsev expressed this thought several times: both in laying out goals for the creation of a peasant public-political organization and in speaking about the current state of the peasantry and the Constituent Assembly of the USSR Peasant Union. As we know, having advanced demands before the country's leadership to improve the status of peasants, the assembly stopped work until summer of next year. But there is still the possibility that the participants in the joint session planned for mid-October of the plenums of the USSR Peasant Union and the Union Council of Kolkhozes will vote for a special session. V. A. Starodubtsev based his assumption on the fact that the peasants' demands have yet to receive any real support from the country's leadership. Moreover, market relations could worsen their position: under conditions of monopolism of industrial associations and a shortage of many goods, those relations not only will not lead to a revival of the countryside but could ruin it decisively. The goal of the union's creation is precisely to defend the interests of the peasants.

"If the peasantry were not united on the collective farm, it would not be able to withstand the pressure the state is always putting on it," said Vasily Aleksandrovich. "I have spoken with farmers in countries the world over, and when they found out that for decades our peasant either received nothing from his output or had to make do with only 10 per cent of its value, they couldn't help but exclaim: 'That's impossible! If they paid us even 90 per cent of the value of our output, we wouldn't last a

single year—we'd be ruined!' Nonetheless, some politicians today even blame our peasants for the country's food disasters and call us, the people the peasants have chosen to run the farms, Stalinist directors. In recent days I even had conferred on me the title 'Tula landowner.' I don't know whether I should be happy about that or not, since I can't understand the logic of the thinking of left-radical forces which, on the one hand, are themselves calling for the landowning life and, on the other, by calling modern farm directors landowners are imbuing the word with a derogatory connotation. Doesn't this mean that they are simply trying to exchange certain 'landowners,' elected ones, for very real ones, without quotation marks? And the sole path down which they are pushing the peasants, not treating their wishes with undue consideration, is to dismantle a third of the unprofitable kolkhozes and sovkhozes without further ado. If only they had made some economic calculations or taken some responsibility for the social consequences of that kind of action! Nothing of the kind! Just dismantle them and create create peasant households and farms in their place, as if that would take care of all the countryside's problems.

"I think that for those people ruining the kolkhozes is merely a steppingstone to power. They understand that chaos will ensue, since in the very first year the production of foodstuffs will go down by at least a half, if not more. And then it will be easy to overthrow any government, scramble into the director's chair, take up the whip, and start cracking it, as has been done here for years and years. I don't think anything will be left of democracy then. For them democracy is merely a means to an end. Isn't that why none of the representatives of the extreme 'left'—actually, ultra-right—forces today are working on practical solutions to the problems of improving life for the population and are not proposing to introduce order? Ruin suits them.

"Therefore the peasantry faces a very difficult, no-holds-barred struggle for a normal life. If the healthy forces of society, including the press, are going to be passive, then it will be hard for society to stand its ground in this struggle. Because today the mass media is mercilessly littering people's minds, ridiculing everything that doesn't fit into the artificial schemes. Otherwise how could they demand the immediate dissolution of the collective farms without giving the peasants the right to choose? Yes, their opinion could hinder the realization of the Shatalin program for transition to a market. But the peasant is not a suicide after all! Another act of violence is about to be committed against an entire class, and the consequences could be even harsher than the perversions of collectivization. Because we have gotten too far away from that image of peasant life envisaged by those forces.

"The peasant of 70 years ago no longer exists, and that's why he doesn't understand what kind of market he's being called upon to join. The one that over 70 years ago he was taught to detest? Several generations have come and gone, and that revulsion has, so to speak, been

strengthened hereditarily; therefore, the present-day peasant still doesn't understand the market. He keeps being dragged toward the market, the market, the market. . . . What market?

"I believe that the extension of market relations, including between town and country, as well as in the countryside itself—is inevitable. But I am in favor of a merciful, balanced, serious approach to the formation of an all-union market. So that it doesn't strike a blow at either the laborer of the city or the inhabitant of the village; after all, they're the ones who are going to be doing the paying at the market! Actually, they are already are. For now talks about the market are still going on, but market prices have already reacted with a splash. Moreover they are mounting with a speed that has nothing to do with any '500 Days' schedule. On this background, what is the meaning of the announcements of Shatalin and his team that they are going to defend the interests of those poorly provided for? How and with what are they going to make up those losses if already today pensions and stipends need to be raised five or six times? With today's growth in the deficit and inflation! What is this if not demagoguery pure and simple?

"They are deceiving the people. Why? Wouldn't it be better to tell them honestly that the price for food is going to go up by such-and-such amount and the compensation mechanism will be such and such? When the government tried to do just that, in order to put prices under control, the Shatalin team immediately reared up: What? Raise prices? Don't dare! Whereas at the same time they were putting forth a program which by its mere circulation would urge prices on to uncontrollable and uncompensatable exponential growth. They are going to keep on rising in the future.

"Recently I came back from West Germany. Everything is restricted there: both top prices and bottom prices. If you sell above the established limits, you lose everything you have. Moreover, I thought that the limits had been set by the Germans themselves. Nothing of the kind! They're set in Brussels, for the entire European Community. An interstate service decides where, how, and which prices to maintain. And therefore Finland right now is defending itself with all its strength, since under pressure from the Common Market the Finnish farmer is suffering and could perish. But the market doesn't take that into account! Its approach is harsh: if you fail, well, godspeed.

"This is why I am turning to journalists with an appeal to reflect objectively the processes going on in the countryside and to speak the truth boldly. That is what we lack most under our so-called openness [glasnost]."

Afterward, V. A. Starodubtsev answered journalists' questions.

[SELSKAYA ZHIZN] Vasilii Aleksandrovich, how was the creation of the Peasant Union perceived in the country's upper echelons of power?

[Starodubtsev] Less than ecstatically, naturally, evidently figuring it's just one more burden impeding our dealing with the peasant by proven methods. Take the country's Council of Ministers as an example. There was one person there who firmly defended agrarian positions. I have in mind comrade Nikitin. He was tossed onto the bonfire. Although his guilt was no less than the others', if only because he had headed up the state commission a week shy of a year. A ridiculous excuse.

Therefore if today we really don't organize, if we don't put administrators in place at all levels, then we're going to lose what remains of the peasantry.

[SELSKAYA ZHIZN] Would you please share your thoughts on the subject of the creation of a Peasant Party? What might its future be and what is its relationship to the Peasant Union?

[Starodubtsev] I think that in the current tense situation, trying to create new parties only exacerbates the problems. Right now that's not the point. Yes, the Peasant Union, which unites 40 million people, might well become a party. However, if it's well organized it can defend their interests as is. The creation of a party does not imply any sudden change in attitude toward the countryside or in relations within the countryside.

[SELSKAYA ZHIZN] Are you referring to the influence of the party created by the journalist Chernichenko?

[Starodubtsev] I'm aware of that fact. But I also know that peasants are unlikely to join that party since it's a party not of peasants but of "soil-tilling intellectuals." As for Chernichenko himself, his actions did much harm to the countryside during the period of stagnation, and right now they're doing even more.

[SELSKAYA ZHIZN] What needs to happen for the Peasant Union to acquire real force?

[Starodubtsev] We talked about this at our assembly and passed a corresponding decision: we turned to the president and the government with a request to transfer the newspaper SELSKAYA ZHIZN to the Peasant Union, which should have its own readership and its own mouthpiece in order to propound the union's goals and positions and conduct an ongoing dialogue with both the peasantry and citydwellers, the working class. Unfortunately, we have yet to receive an answer. By the way, not only to this question but to many others as well. This is a favorite device: pretend the problems don't exist. But we'll remind them about it again, and in a more serious way.

[SELSKAYA ZHIZN] What is your opinion, Vasilii Aleksandrovich, about the paths for future development for the kolkhozes, especially the unprofitable ones, and about measures to strengthen them?

[Starodubtsev] If we could transform the Path to Communism Kolkhoz into a profitable one simply by changing its name to "Abundant" there'd be no problem. The point is that the proposal is to transform it on the

basis of relationships of ownership, including landownership. Changes are needed here, but what mechanism can bring them about is still unclear. A referendum must decide. The only thing that's clear is that in choosing a mechanism we cannot forget that these farms today are still putting out production. I have expressed my opinion to the president of the country and other leaders that we can't emphasize only leasing and so-called peasant farms, or, more accurately, farms, without resolving the issues of developing agriculture as a whole.

After all, literally 50 kilometers from the Kremlin there are no services or utilities whatsoever in the countryside—no roads, no housing, no stores, no clinics—nothing! If you were to go on foot from village to village in Tverskaya, Novgorodskaya, and Vologodskaya oblasts, you would be convinced that entire regions have been utterly depopulated and there's no one there to work at all. And tomorrow, in connection with the new pension law, the remaining, staunchest machine operators and livestock raisers are going to leave, too. Will farmers replace them? I asked—any takers? They answered: "We're not crazy! Build roads, hospitals, stores, bring in electricity and gas. Then we'll see."

The countryside has been so thoroughly cleaned out, bled so dry, that in many rayons it will not be able to get up on its own two feet and move forward quickly. Farmers are especially not going to go into the backwoods of today's forests and steppes, and they'll be right demanding plots of land closer to town. But there's not enough for everyone in the outskirts, even if it's worth its weight in gold. Anyway, that's not where farmers are needed, they're needed in Russia's heartland.

[Mikhailov] Here am I, senior secretary of the Agrarian Union of Russia. We and the sociologists have surveyed a large group of the rural population in 5 rayons of Kuybyshevskaya, 12 of Kurskaya, and 8 of Vologodskaya Oblast. Of these, 90 percent of the people, from oblast leaders on down to milkmaids, think that if there are any farmers among them, then in the coming decade they will comprise no more than 1 per cent. We asked: Why do you think that? Because, they answered, 79 per cent cannot farm due to their health or age, and 10 of every 100 surveyed doubt in general whether it's possible under current rural living conditions to carry out the idea of farming, whether it's real. After all, a farmer has to farm on a modern level, productively, with the aid of machinery, otherwise he will go bankrupt. Thus one conclusion suggests itself: obviously we need to equip the countryside better, to provide production with all the essentials—building materials, machinery, fertilizer, financial means—and then you can suggest the city-dweller go live there and farm.

[Starodubtsev] Yes, large specific capital investments in the countryside are essential, in order to develop its infrastructure on a modern level and drastically improve land use.

[SELSKAYA ZHIZN] Yes, that's true. But in the mail that comes to our offices, there are many questions about who here actually owns the land, can it be disposed of, split up among those who want it, conditions established for land use. The law passed on this score is not effective.

[Starodubtsev] A month ago the party's Central Committee met. Jurists as well as economist-scholars were invited to come—Shmelev and others. Some tried to show that in order for the law to start working we needed a presidential decree on land reform. As if to say that after that the reform would start to work. A decree! In fact, it's not working because it's left the asphalt and entered the village. The peasant doesn't understand this sudden furor over land and farming. Who has calculated the real economic advantages of a farmer over collective farming? No one. Who has calculated the losses in store for the country with the introduction of buying and selling of land? No one. The president was not presented with such calculations either. Only intentions and assumptions. How can you trade the land that feeds the country? I am categorically opposed to the sale of land and believe that the majority of peasants are as well. A plot in the country with sheds and gardens, outlays to improve the land, that's one thing, but the land that today feeds the entire people is something else entirely. The peasant today doesn't have the money to buy land anyway. Only shadow economy operators, or their surrogates, do, and afterward they'll do with it as they please.

[SELSKAYA ZHIZN] But surely they couldn't eat it all up?

[Starodubtsev] It will feed them well. It will allow them to turn their ill-gotten gains into an unsurpassed security. . . . And they'll start calling all the tunes.

[SELSKAYA ZHIZN] Vasilyi Aleksandrovich, you have cited the figure of 40 million people. That's how many people are in the Peasant Union. But what exactly does that mean?

[Starodubtsev] The Peasant Union includes everyone who works in a kolkhoz, sovkhoz, or industry processing agricultural materials.

[SELSKAYA ZHIZN] That I understand. But when we join a party, say, we write an application and pay dues, they give us a paper certifying our membership in the party. What does it mean to be "united in a union"?

[Starodubtsev] Our union is not a party but a public-political organization. Therefore you can't view membership in it as analogous to party membership. As for the concept of "united," then elections for delegates to the Constituent Assembly were held at all levels—in the kolkhozes, sovkhozes, rayons, and oblasts. They were instructed to create a Peasant Union of workers in the agro-industrial complex, including peasant farms. AKKOR also joined our union.

[SELSKAYA ZHIZN] In what way can you defend their interests?

[Starodubtsev] We can impose sanctions on people who are today trying to get ahead at the expense of the peasants. The charter says that the union has the right to take collective actions. If, for example, the union doesn't agree with the proposed purchase prices, then we can demand that the government change the draft. If that's not done, then the status of the peasantry will worsen. In West Germany there is also a Peasant Union, and if it doesn't support one action or another with respect to the peasantry, then the government always thinks twice and either repeals or delays its draft legislation.

[SELSKAYA ZHIZN] What kinds of sanctions can the Peasant Union impose in the event of the government's refusal to meet its demands?

[Starodubtsev] I think our sanctions could make the planet rock.

[SELSKAYA ZHIZN] Well, you might, say, curtail the supply of food. But what would you do with it all?

[Starodubtsev] Not supplying food isn't the only possibility, we can also refuse to purchase industrial output and services. Right now industrialists are flogging utterly worthless cars on the village, which buys them. Because that's all there is. But peasants can get along without that production for a very long time.

[SELSKAYA ZHIZN] But those are extreme measures, after all.

[Starodubtsev] Certainly. But we are not in favor of extreme measures. We are in favor of concord, of business contacts with the working class, with everyone—only in favor. But if we are going to be pushed to extremes as before, we are going to defend ourselves. Right now strike committees have been organized in 12 oblasts already, although the assembly's central organ did not recommend doing so. In the locales, in the depths of the union, they've decided things their own way.

[SELSKAYA ZHIZN] You feel that the agrarian part of the Shatalin program is useless? Does the Peasant Union have an alternative program? Or just a boycott, a strike?

[Starodubtsev] No, those are extreme measures, and we are against them. As for the document, the program you're speaking of, we do not have one like that as yet. It is impossible to come up with a real program in the space of a few weeks, as the Shatalin group did. But, of course, we will propose our own program.

[SELSKAYA ZHIZN] Have you already sketched its outlines at the session?

[Starodubtsev] Yes. The main thing is for the peasant to choose his own path, without outside pressure.

Then, at the request of the journalists, Vasiliy Aleksandrovich told us about the farm he ran in Tulskaia Oblast

and the Novomoskovskoye Association, showing that in the Nechernozemnaya Zone it is possible to achieve what seems to many people incredible efficiency in land use. But to do this the corresponding capital investments must first be made, he stressed. Given the supplies of power and resources that the peasants of Nechernozemye are forced to make do with, no transformations whatsoever could help, including changes in productive and property relations. In the developed countries not only is the farmer protected in the social and legal spheres, not only enjoys the respect of the citydweller whom he feeds, but his labor is also stimulated out of the state budget. Here he is merely filling the state's order. And until the peasant stops being looked upon as a milk cow that gives milk even if she isn't fed, the food problem in the country will never be resolved. And in the end this cannot help but effect the fate of all perestroika.

From the Editors: The attentive reader will note definite contradictions in V. A. Starodubtsev's reasoning and a certain peremptoriness about his statements. These points could have been "smoothed over" in preparing the material for press, but we don't do that. This is what the conversation was like.

Follow-up Letters Supportive

914B0043B Moscow SELSKAYA ZHIZN in Russian
24 Nov 90 First Edition p 1

[Letters to the editor: "Echo"]

[Text]

"I'm Against Extreme Measures" (17 October)

I feel that what V. A. Starodubtsev had to say was fair and honest. And if you editors don't agree, then there's no point in starting the conversation in the first place. It is true that under our Russian Soviet system only collective farms could stand their ground. My boss died just a year ago. I once told him: what the revolution did is good, but what the kolkhozes and sovkhozes are doing they shouldn't have. And he answered me back: with our own plots we worked day and night and never had our fill of bread.

[Signed] T. Mikryukova, Vyachkovo Village, Kalininskiy Rayon, Tverskaya Oblast

The leader of the Peasant Union understands perfectly well the situation that's taking shape. That's obviously why he decided to commandeer a piece of the pie that, due to specific circumstances, had become ownerless. I'm talking about the land.

[Signed] S. Khodzhaev, Chardzhou, TuSSR

Timoshishin Interviewed on Increasing Meat Supplies

Calls for Material Incentives

914B0044A Moscow SELSKAYA ZHIZN in Russian
22 Sep 90 First Edition p 1

[Interview with M.L. Timoshishin, 1st deputy chairman of USSR Goskomprod; date and place not specified: "Machines for the Rural Areas and Meat for the Cities"]

[Text] The decree of the USSR Council of Ministers on stimulating deliveries of meat products to the all-union fund has been published in the press. In order to stimulate deliveries of meat and meat products into this fund, the country's government additionally conducted a search for equipment and materials that were in short supply—passenger cars and trucks, autobuses, tractors, pipe and metal.

The Editorial Board turned to the 1st deputy chairman of USSR Goskomprod, M.L. Timoshishin, with a request for answers to several questions. Herein we publish his replies.

[Question] Mikhail Lukich, such a decision by the government is not a common happening. We are accustomed to having such measures undertaken each year in the interest of encouraging the farms to sell more grain and certain other types of plant husbandry products to the state. At the present time, so far as I can remember, we are discussing animal husbandry products for the very first time. What has brought this about?

[Timoshishin] First of all, it is the result of a noticeable decrease in state purchases of livestock and poultry. From January to August of this year, such purchases amounted to 13,738,800 tons. This was 287,000 tons, or two percent, less than the figure for the same period last year. Purchases declined in all of the union republics with the exception of Moldavia, where they increased by four percent. As a result, if the supply of meat and meat products for the country's residents did not become worse (it actually remains at the same level for last year), it was only because of meat purchases from abroad, a reduction in the amount of meat products remaining in coolers and the above-limit release of such products from the state reserve. In other words, we are presently selling the emergency and insurance supply needed by any state for incidents, as mentioned by the cosmonauts, involving unusual situations, for example, natural calamities. Yes and in addition we are spending currency for the importing of meat, currency that is badly needed for the development of any branch.

[Question] But what brought about this situation? Indeed, meat production it would seem has even increased in recent years.

[Timoshishin] It would seem that the reasons are readily apparent. This includes a reduction in the numbers of the various types of livestock compared to last year, the

weak feed base for public animal husbandry, feed shortages and the low quality of the feed. But the chief reason is the gradual exhaustion of the meat resources and a reduction in the meat quotas. The volumes of livestock and poultry sales for meat purposes did not increase as a result of improved raising and fattening of the animals, but rather this occurred owing to reductions in the number of animals. Compared to 1986 when roughly 40 million head of cattle were turned over for slaughtering, last year—43 million. And the overall number during this period declined by 2.5 million, including 900,000 cows. And a period arrived in which there was nothing to be turned over for meat purposes.

[Question] And what effect did this have on the meat counters?

[Timoshishin] Certainly, the consumers of the all-union fund were the first to suffer. Over a period of eight months this year, they were undersupplied in the amount of more than 283,000 tons of meat products. Only one republic, Moldavia, fulfilled its delivery plan. In Moscow, Leningrad and other large industrial centers, serious interruptions took place in the trade in meat products. The amount of meat shipped to Moscow during these months was 71,700 tons less than the planned figure and the task was fulfilled by 89 percent. The residents of Leningrad were undersupplied by 54,800 tons (73 percent), Azerbaijan—23,700 tons (36 percent), Armenia—20,000 (36 percent), Georgia—16,700 (57 percent) and Uzbekistan—19,300 tons (62 percent). The quantities of these products on the local market declined compared to the level for last year: in Georgia—to 77 percent, Azerbaijan—to 82, Tajikistan—90, Armenia—78 and in Turkmenia—to 96 percent.

[Question] But could it be that those republics that supply meat products simply have nothing to deliver?

[Timoshishin] Certainly the reduction in meat production played a role. And still I would assign first place to low delivery discipline and the manifestation of local tendencies. As a rule, in those republics where disruptions are taking place in meat deliveries to the all-union fund, the local markets in these products have grown considerably. Thus the Ukraine fulfilled its plan for meat deliveries to consumers of the all-union fund by only 78 percent, while its own meat market amounted to 104 percent of last year's figure, for Belorussia the figures were respectively 72 and 109 percent, in Kazakhstan 90 and 103 percent and in Latvia—74 and 101 percent.

[Question] And was the meat situation not aggravated by the fact that a number of union republics are establishing their own local purchase and retail prices for farm products?

[Timoshishin] This is true beyond any doubt. For example, in Estonia the prices for many products have risen sharply. Beef and mutton will soon cost nine rubles per kilogram. This has brought about an agiotage demand and it has destabilized the consumer market to such an extent that it became necessary to hand down a

decision calling for the introduction in the near future of a ration card system. Today they called me from Latvia and Lithuania—the neighbors there are making a clean sweep of the situation. In Leningrad, a special meeting of the presidium of the municipal and oblast soviets was convened in this regard. Here the conclusion was drawn that this step by the Estonian government will inevitably bring about a destabilization of the market in food goods in the Leningrad region and retaliatory measures were outlined for protecting their own market. As is well known, on 8 September the RSFSR Council of Ministers adopted Decree No. 343, which introduced new purchase prices for livestock and poultry commencing 15 September. They are considerably higher than the previous ones. For example, a ton of live cattle weight now costs up to 5,940 rubles and pork up to 5,500 rubles. Understandably, the farms of other neighbor republics of the Russian Federation will drive their livestock across the "border" in order to increase their earnings. And thus the first retaliatory step—under trade union pressure, the government of the Ukraine forbids the sale of products of the agro-industrial complex beyond the borders of the republic. All of this once again confirms the importance of retaining a single all-union market and a single economic environment.

[Question] And what measures did the country's government undertake aimed at improving the situation?

[Timoshishin] We are well aware that some administrative measures will not be of any assistance in this instance—economic levers are needed. The material interest of farms must be raised and the plan for delivering meat to the all-union fund must be fulfilled. Indeed, at the present time many farms are exchanging animal husbandry products for the logistical resources they require based upon direct agreements. In order to better ensure the availability of meat and meat products to consumers of the all-union fund, there can be no disruptions in deliveries during the last months of the year (and this represents more than one million tons) and a decision must be handed down calling for the allocation of additional equipment and transport vehicles and materials for stimulating the work of kolkhozes, sovkhozes and other enterprises of the agro-industrial complex. Towards this end, 790 trucks, 2,000 passenger cars, 225 autobuses, 400 tractors, 3,000 tons of rolled metal, 2,000 tons of steel pipe and 25,000 tons of cement are being made available. The union republics will receive these resources provided they carry out on schedule, during the September to December period, the monthly tasks established in conformity with the state order for shipping meat and meat products to all-union consumers, including Moscow and Leningrad. All of this equipment and materials will be made available within 20 days following confirmation by USSR Mintorg [Ministry of Trade] and the republics of fulfillment of the plans for meat product shipments.

[Question] What guarantees are there that all of these resources will reach the addressees? Indeed, it is well known that many farms have still not received the

logistical resources allocated to them for above-plan grain sales last year. Thus faith in such measures has clearly been undermined.

[Timoshishin] Truly, by no means has all of the equipment allocated been delivered to the farms. It bears mentioning that we made a mistake in trusting the distribution of these materials to the republic's Gossnab. And in a number of areas the decision was made to correct the local problems at the expense of the peasants. This year, strict control will be exercised over the deliveries of logistical resources. Protocols on mutual deliveries have already been signed with the councils of ministers of the Russian Federation, Kazakhstan and Kirghizia. Negotiations are also being completed with other union republics that ship meat products to the all-union fund. It is hoped that all of these measures will serve to raise the interest of republics in supplying meat and meat products and improve the situation in the country's meat market.

Follow-Up Letter Notes Changed Situation

914B0044B Moscow SELSKAYA ZHIZN in Russian
17 Nov 90 First Edition p 1

[Letter by M. Buranchin, director of the Stepnoy Sovkhoz in Khaybullinskiy Rayon, Bashkir ASSR: "Machines for the Rural Areas and Meat for the Cities"]

[Text] The times have changed. We must begin working in accordance with the laws for a market economy. The time is at hand for turning to the peasants and establishing normal relationships with them. Direct contacts must be established between agricultural enterprises and the union in the distribution of the needed equipment and materials.

Interviews Explore Path Toward Land Privatization

RSFSR Deputy on Private Land Use

914B0031A Moscow ARGUMENTY I FAKTY
in Russian No 43, Oct 90 p 1

[Interview with People's Deputy B. Nemtsov, member of the Committee on Legislation of the RSFSR Supreme Soviet, by N. Chaplygin; date and place not given]

[Text] We all see that today there is reason to fear that the coming winter will be one of hunger. We were warned about this a year ago by several deputies of the USSR Supreme Soviet in the discussion of the question of whether or not to turn the land over to private use.

This same question is now being examined in the Supreme Soviet of the Russian Federation. Our correspondent N. Chaplygin talks with People's Deputy B. Nemtsov, member of the Committee on Legislation of the RSFSR Supreme Soviet.

Three draft laws on land are in the preparatory stage: the Law on the Peasant (Individual) Farm, the Land Code of the RSFSR and the Law on Land Reform.

The distinguishing feature of all of them is the possibility of the acquisition of land in private ownership, the hiring of manpower and the establishment of land banks.

[Chaplygin] Will they not be purely declaratory? In particular, do they specify a mechanism for the purchase of land?

[Nemtsov] Of course. And this is one of the fundamental aspects. For the operation of a peasant farm, citizens acquire agricultural lands on the basis of an application made to the corresponding rayon soviet of people's deputies. The application specifies the objective of the use of the parcel, the proposed size and the location. Citizens without experience in agricultural work receive land under lease for a period of 3 years and after this time they have the right to purchase it for ownership. Persons with this experience in agriculture have the right to acquire and own land immediately.

The period for the review of the applications is 1 month. The draft law on the peasant farm provides for fines of 1,000 to 3,000 rubles for managing officials (managers of agricultural enterprises and chairmen of soviets and ispolkoms) who violate the procedures for the allocation of land.

[Chaplygin] And what is the mechanism for the obtaining of land by kolkhoz and sovkhoz workers?

[Nemtsov] In the version presented by the subcommittee on agrarian reform of the RSFSR Supreme Soviet together with AKKOR (Association of Peasant Farms and Associations of Russia), it is proposed that the kolkhozes and sovkhozes carry out an internal privatization of the land and fixed production capital. That is, the workers are issued land shares and shares of fixed capital in accordance with the length of their work record and amount of labor invested. If a peasant wants to leave the kolkhoz or sovkhoz, he presents an application to his manager. Again, however, the decision is made by the rayon soviet. The agreement of the labor collective and the enterprise management is not required. In the event of the refusal to issue part of the fixed capital or to provide monetary compensation, the kolkhoz or sovkhoz is obligated to guarantee a bank loan to the farmer.

If a peasant remains with the kolkhoz or sovkhoz, then as a shareholder he has a right to part of the profit.

The indicated draft laws also provide for the acquisition of land in private ownership for the construction of houses and garages, for garden plots, for the construction of summer cottages and for individual labor activity and individual subsidiary plots.

[Chaplygin] Many are frightened by the fact that the land will be bought up by dealers in the shadow economy and that we will see gigantic private preserves [fazendy] behind barbed wire....

[Nemtsov] In the first place, the land will be made available for specific purposes. Limitations in the size of land parcels are also foreseen. They will be set by the supreme soviets of autonomous republics and by oblast and kray soviets of people's deputies.

Further, agricultural lands that will be the subject of buying and selling can be seized if they are not utilized as designated. The land cannot be sold immediately after the closing of the deal. This will be possible only after 5 to 10 years. So those acquiring land will have to "plow" it.

It is supposed that in the central zone of Russia, where there are many unused lands, its price will not be too high: from 200 to 1,000 rubles per hectare.

[Chaplygin] Is there a feeling in the Supreme Soviet that delay in passing these laws is "like death"?

[Nemtsov] We have a very good sense of our responsibility. Even under the conditions of an unprecedented harvest, the stocks of grain in the state grain elevators amount to just 32 million tons. But we need 52 million tons to live until the next harvest. As deplorable as it may be, we will again have to buy grain abroad. If we add to this the irresponsible actions of the All-Union government with respect to the importing of grain, then the picture is quite sad.... Judge for yourself. The price for grain in the world market depends upon the time of year. It is \$75 to \$100 per ton of wheat in the fall and \$175 in the spring. The All-Union government manages to buy grain when the prices for it are at their highest.

[Chaplygin] Is it foreseen that land will be sold to foreigners?

[Nemtsov] This is a rather complex question but I do not rule out the possibility that it will also be reflected in the package of laws being prepared.

[Chaplygin] When are the land laws expected to be passed?

[Nemtsov] The laws are supposed to be reviewed in October or November at the session of the RSFSR Supreme Soviet. In view of the extreme importance of the draft laws in question, they must, in my opinion, be affirmed at the upcoming Congress of People's Deputies of the RSFSR, which will be held at the end of November.

Academician Discusses Unfamiliar Concepts

914B0031B Moscow KOMSOMOLSKAYA PRAVDA
in Russian 26 Oct 90 p 1

[Interview with Academician V. Tikhonov on private ownership of the land, by V. Terekhina: "Bury Your Money!"; date and place not given]

[Text]

[Terekhina] Vladimir Aleksandrovich, does the new law give hope that there will finally be a real master of the land?

[Tikhonov] I think that the decision of the RSFSR Supreme Soviet, which in the first reading passed a draft Law on Ownership in the Russian Federation, exceeded the greatest expectations of many radically thinking deputies. Whereas the bases of the legislation of the USSR came quite close to recognizing individual ownership of the land, the Russian legislators in their bill are crossing the remaining threshold and are directly recognizing the necessity of private ownership of the land as the economic basis of the freedom of action of the Russian peasant. From this point of view, of course, the Russian legislators went far beyond the USSR Supreme Soviet. But can one hope that this law will really give land to the peasant? Unfortunately, I think that a rather large expanse lies between the passed law and its realization. The fact is that at the present time 98 percent of agricultural lands are assigned to kolkhozes and sovkhozes. And, of course, it is a great problem whether these "collective possessors" will agree to turn land over to individual peasants, especially since it is written down in the bases of the land legislation that kolkhozes and sovkhozes have permanent possession of the lands assigned to them. I think that this will become possible under the condition that the kolkhozes and sovkhozes are transformed into cooperative enterprises and not simply cooperatives but cooperatives of free holders of the land—peasants. That is, at each kolkhoz or sovkhoz the lands must be proclaimed to be the sum of land parcels belonging to the people working at these kolkhozes or sovkhozes. I think that only on this basis will it really be possible to carry out land reform and to have the peasant take possession of the land and then own it.

[Terekhina] Many were quite astounded by that part of the draft law that speaks of the right of private ownership being extended to foreigners as well....

[Tikhonov] I think that in principle such a variant is admissible. There have been many cases in our history in which foreign citizens became producers of agricultural output with full rights. And only Soviet power in the course of the civil war initially weakened the positions of foreign landholders. And then, in the period of collectivization and afterwards, these people were completely driven from the land and many of them lost their lives. In the case at hand, however, I think that it is not a matter of the transfer of such lands to foreign citizens for

ownership but for long-term leasing with the appropriate guaranties, for leasing that means the lifelong possession of the land with the right of inheritance. Still, this is possession and not appropriation. With dependable guaranties, this could attract foreign citizens for work on the land as farmer-lessees. And I think that it would be very useful. Because in the years of Soviet authority, unfortunately, peasants essentially became hired workers or were attached to kolkhozes and sovkhozes. And now they are truly intimidated by numerous reorganizations. And those peasants who are crushed by the poverty of rural life, especially in regions of the Nonchernozem with low population, are afraid to leave the kolkhoz, where the wages that they receive may be miserly but at least they are guaranteed. The transition to the conditions of independent management frequently intimidates them and therefore the involvement of free landholders from abroad could infuse a certain quantity of life-giving blood and oxygen into our peasant class to help it get on its feet more quickly.

[Terekhina] What is a land exchange under our conditions?

[Tikhonov] We are talking about the fact that it is necessary to establish large tracts of farming lands in the society that can be the subject of sale to peasants wishing to operate a private farm. Who will sell them? It may be that initially it will be the local soviets of people's deputies. But I am more impressed by a version in which the mortgage banks would deal in the land. That is, banks that involve themselves in the custody or selling off of real estate, including land. I think that sooner or later such banks will appear in our economy..

[Terekhina] What do you think, will the local population not declare a "patriotic" war against foreigners?

[Tikhonov] Yes, it is also difficult for our brave citizens, who, despite everything else, are taking a risk when they begin to establish their own "business." It is clear that this is the result of the 60 years during which the peasant with the active help of the authorities became disaccustomed to free individual management. What unexpected things await our people with a different economic psychology? It is necessary, of course, not only to establish the laws permitting private enterprise but also to carry on extensive propaganda among rural inhabitants. But the main thing is that in the course of land reform the conditions must be established under which each rural inhabitant who wants to work on the land would perceive himself as the possessor of the parcel of land that is due him. And would have the possibility of choosing between independent operations on this plot of land or its voluntary transfer it to a cooperative or to the same kolkhoz or sovkhoz for joint exploitation. That is, an equal opportunity for each rural inhabitant to possess the land and especially ownership of a parcel of land will make it possible to eliminate the antagonism between the workers of today's kolkhozes and independent peasants.

Divergent Opinions Emerge on Leasing

Review Calls for Greater Latitude

914B0019A Moscow *EKONOMIKA I ZHIZN*
in Russian No 40, Oct 90 p 11

[Article: "Knight in a Baby Jacket"]

[Text] Recently in the village new management forms have been expanding more and more extensively. This includes, first and foremost, lease contracts and the development of peasant enterprises. According to data by RSFSR Goskomstat [State Committee for Statistics], as of 1 July 1990 intraeconomic lease contracts are being utilized by 17,800 (70 percent) of republic kolkhozes and sovkhoses; of these almost 3,000 enterprises (12 percent) utilize them in all branches.

There were 2.4 million people working in lease collectives. This is 28 percent of the average annual number of sovkhos workers and kolkhoz farmers, who have been assigned 75.9 million hectares of arable land and 21.1 million head of cattle, including 7 million cows and 12.6 million hogs.

Lease relations have been most widespread in the Kalmyk ASSR and Belgorod and Orel oblasts (over 85 percent of arable land and about 70 percent of cattle and hogs have been transferred to the disposal of leaseholders), as well as in the Bashkir and Tatar autonomous republics, and Lipetsk and Saratov oblasts, where leaseholders have at their disposal over 60 percent of arable land and the livestock herd.

Direct interest in the end results of their labor has enabled many collectives to achieve a sharp increase in agricultural production output. However, the use of leasing does not always mean increased effectiveness in farming and livestock raising.

Considerable difficulties still face this new form. Poor knowledge of economic and legal aspects of lease contracts by the immediate executors, by members of collectives and by their administrators often result in a perversion of their essence. As a result, the process of assimilating lease relations is transformed into a regular campaign. In such enterprises the transition to leasing is implemented formally without changes in production relations or in the legal and economic status of labor collectives.

Inadequate independence for leaseholders, the violation by those who grant leases of their obligations to supply collectives with resources, low accounting prices for agricultural products, mistrust of the administration and other problems have a negative effect on lease relations. Most collectives (72 percent) have concluded lease contracts for a period of 4-5 years, only 4 percent—for 6-10 years, and 0.9 percent—for over 10 years.

In other words, in many enterprises leasing looks like the knight in the baby jacket that will not allow him to develop to the extent of his might.

In addition to lease relations in the public sector of the RSFSR we have the development of independent peasant enterprises, in which the immediate producers become complete managers of the land. As of 1 July 1990, according to data from RSFSR Goskomstat, within the republic there were 900 peasant enterprises registered in the executive committees of local soviets of people's deputies, for which 30,700 hectares of land have been allocated.

UDC 631.1

'Beating Dead Horse' in Orenburg Oblast

914B0019B Sverdlovsk *URALSKIYE NIVY* in Russian
No 8, Aug 90 pp 6-7

[Article by Z. Tuyakova, junior scientific worker of the economics department of Yuzhnyy Ural NPO [Scientific production organization]: "Emancipated Initiative Gives Rise to New Approaches to Previously-Developed Schemes for Labor Organization"]

[Text] Within the system of measures that are being directed at developing promising forms of labor organization and reimbursement we have the improvement of lease relations. For example, in Orenburg Oblast leasing was introduced especially actively. In 1989 lease collectives cultivated about 47 percent of the area in plowland and took care of 24 percent of cattle, 27 percent of hogs and 40 percent of sheep. In Kuvandykskiy and Pervomayskiy rayons all land has been transferred to leasing.

Still, in general leasing is still moving along with difficulty. Workers are in no hurry to conclude contracts; they are waiting. Why is this happening?

A survey of machine operators, livestock farmers, managers and specialists of enterprises in 11 oblast rayons showed that there is no unanimity in terms of the assessment of lease relations: 60.3 percent of machine operators and 50.4 percent of livestock farmers support leasing, whereas 10.7 of the former and 13.3 percent of the latter oppose it. With regard to the size of collectives, opinions converge—about 200 hectares per machine operator.

An analysis of 536 questionnaires shows that the largest percentage of those machine operators interested in increasing productivity work in collectives of 6-10 people (79.6 percent). Moreover, the larger the collective, the fewer the number wanting to work under leaseholding the following year; 27.4 percent of livestock farmers and 16 percent of machine operators feel that their collectives are not working at full strength.

Lease contracts are introduced well in places where managers and specialists of enterprises allow people to become interested in them. Judging by the responses of machine operators, most attention is given to them by managers of enterprises and least—by engineers, brigade

leaders and administration. In livestock raising economists vote for leasing and veterinarians, brigade leaders and administration vote against it.

Members of lease collectives note their unfounded diversion into other subdivisions, explaining this as errors tolerated in the personnel selection of cadres. Livestock farmers are most independent in this regard.

Leaseholders feel that the main reasons for the differences of opinion in collectives include individual machine operators and livestock farmers (45.0 and 43.4 percent), improper distribution by jobs (16.0 and 12.4 percent), poor labor organization (14.7 and 7.1 percent) and poor labor discipline (4.5 and 12.4 percent). Nevertheless, it has been noted that with the transition to leasing there has been an improvement in discipline (67.2 and 53.1 percent) and in the use of equipment (54.2 and 33.6 percent).

Leaseholders complain about the fact that they do not participate in the distribution of new technology. Often the distribution of the collective income is implemented not by members of the collective itself but by managers of the enterprise, specialists or brigade leaders. Only 24.8 percent of livestock farmers and 57.3 percent of machine operators answered that the brigade soviet distributes wages. The same holds true for questions of providing incentives or punishment. As a rule directors and specialists of enterprises hire people into lease collectives or remove them.

In this way the aforementioned materials show that many aspects of lease contracts and organization are not implemented by the direct executor.

According to data based on the questionnaire survey, 78.8 percent of directors and specialists have a positive attitude toward leasing and 52.9 percent feel that they will continue lease relations. Twenty nine of 170 persons did not wish to introduce leasing and 33 did not express a definite opinion. Fifty two directors supported using leasing immediately in all subdivisions of the enterprise but 106 persons (62.4 percent) feel that this should be done gradually.

Most of those surveyed (63.5 percent) note that when the new form of labor organization was introduced errors, unfounded selection of directors for lease collectives and of crews for the machine-tractor fleet, mistakes in organizing advances, problems in taking economic responsibility by parties, and lack of preparation for independent work were tolerated.

Also noteworthy is the fact that some directors and specialists find it difficult to assess particular changes in connection with the transition to leasing, which attests to their low level of competency. Evidently this is why 17.6 percent of those surveyed are involved in leasing problems case by case. The great variety of ideas about the selection of forms of labor organization puts us on guard. The question of which forms of labor organization are most suitable for lease relations under local conditions

received the following responses: mechanized brigades in crop rotation (without manual workers)—32 (18.8 percent), tractor-field work (with manual workers)—25 (14.7 percent), specialized brigades for cultivating individual crops—27 (15.9 percent), comprehensive links in crop rotation—46 (27.1 percent), specialized links for cultivating individual crops—34 (20 percent) and temporary collectives (detachments, complexes)—6 (3.5 percent). Even within one enterprise we have noted disagreements in the selection of the form of labor organization.

Among the reasons that lease contracts are being hindered we should include the shortage of trained cadres with a developed feeling of being manager (29.5 percent), untimeliness in receiving spare parts, GSM [Fuel and lubricating materials] and other materials (24.6 percent), the lack of a desire to work over 7 hours (10.6 percent), people's distrust of the future (10.6 percent), the lack of balance in prices for agricultural and industrial products (4.1 percent), poor material interest of specialists (10.6 percent) and the inadequate level of economic knowledge of leaseholders (5.7 percent).

We also surveyed workers in regular collectives. The majority (57.4 percent) have a positive attitude toward leasing, but only 10.9 percent plan to become leaseholders in the near future. Moreover, basically they want to work in small collectives—within links, without leaving the enterprise. Half of those surveyed disparage the role of specialists.

In the course of our work we grouped together the shortcomings we found that were common to the majority of collectives and that caused a decline in end results. These include:

- the absence of plans for economic interrelations and mutual responsibility in intra-enterprise lease relations as well as in independent leasing;
- the unjustified selection of a type and size of collective;
- the incorrect accounting of lease payments;
- the absence of a methodology for collecting payments and for distributing cost accounting income to consumption and savings funds;
- securing land without a consideration of crop rotations;
- lack of adherence to recommended technologies;
- inadequate attention on the part of managers and specialists;
- the absence of dependable technical supply;
- the lack of desire on the part of parties to conclude an agreement for a long period of time due to distrust and the fear of overpayment.

Considering the existing shortage of cadres, inadequate supplies of technology, limited types of equipment, the risks involved due to the instability in agriculture, and the great distance at which fields are located, independent leasing in Orenburg Oblast will not become very widespread in farming at present. In livestock raising there may be the development of a mixed, partial leasing form with leasing of feed lands. In our opinion a cooperative of leaseholders within a kolkhoz or sovkhoz is most expedient.

Lease contracts are the emancipating initiative of the individual, a move away from too much organization and centralization. They should be implemented in order to combine the possibilities and interest of a large public enterprise with the possibilities and interests of the primary labor collective.

The record of lease relations in the oblast is not long but it has shown their vitality and the fact that practically all of them reflect a new approach to previously exhausted schemes of labor organization and interrelations both within the collective as well as with the administration. The development of lease relations already today enables us to deal with the cadres problem, with problems related to the quality of production and savings in material-technical resources, and with the problem of improving the standard of living of the village population by means of wages as well as by means of the redistribution of material resources for the building of primary collectives which have earned these assets, i.e. to the advantage of developing small settlements. Therein lie the prospects for lease relations.

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REGIONAL DEVELOPMENT

Sakhalin APK 1991 Work Tasks Examined

914A0072A Moscow SELSKAYA ZHIZN in Russian
6 Nov 90 First Edition p 1

[Article by F. Shamazov: "If the City Helps...."]

[Text] The board of directors of the Sakhalin APK, the highest body determining the strategy for the development of agriculture, discussed several aspects of the work in 1991.

The demand of a number of collectives of sovkhozes that the area planted in food crops be reduced by half or two-thirds has given an intensity to the conversation. As strange as it may seem, this demand is in harmony with the attitudes of a number of responsible workers of local soviets in the oblast but by no means is it dictated by the unwillingness of villagers to work full force and especially not by a surplus of potatoes and vegetables on Sakhalin and the Kurile Islands. For several years now, they have been in short supply from harvest to harvest. It is a matter of an ever deepening cleft between the cities and the countryside.

The level of development of local sovkhozes allows them to grow enough produce from plant growing (and to produce milk) for the full provision of the population. But they themselves are not able to bring in the harvest (and to procure enough fodder for livestock) because of the extremely weak state of technical equipment. Actually, in the determination of the volumes of procurements, the sovkhozes were not given such a goal either today or in remote times. For what right-thinking person could expect that potato and vegetable-harvesting combines at all acceptable for the local conditions would be delivered to Sakhalin?

The current harvest campaign began with shrill declarations of pseudo-democrats about the illegality of forced labor (although, I repeat, it was only a matter of the provision of the inhabitants of Sakhalin and the Kurile Islands with top-quality food products). Individual collectives did not participate in the harvest and local procurement and trade agencies demonstrated extreme indifference and perhaps that is putting it too mildly.

Neighbors from Khabarovsk and Primorskiy Kray were prepared to come help—not only, of course, to bring in the harvest but also to take some home for themselves. The oblast managers opposed this, recognizing that such a step would have a negative effect on the position of their own population. But they were unable to achieve a fundamental turnaround or they did not try too hard. This meant that even in mid-September the shelves of vegetable stores were empty or half-empty and signals were coming in from the sovkhozes about green crops that were plowed under and overgrown cabbage that was used to feed livestock.

There is no need to keep on saying that under such conditions the demand for a reduction of planting areas next year is by no means idle, stressed many members of the board of directors. Especially since, besides financial losses, the uncollected harvest threatens to bring administrative persecution to agrarian specialists who are not to blame in the situation, which—true to the letter of the law—the oblast procurator's office unequivocally threatened to do.

Nevertheless, this time no decision was made on reducing the planting areas.

"Our conscience will not allow us to leave the oblast on hunger rations," declared, in particular, Vitaliy Yevgenyevich Gomilevskiy, chairman of the board of directors. "After all, other than the sovkhozes, no one will feed the people of Sakhalin and the Kurile Islands today or tomorrow. Only blind people or adventurers can hope for peasant farms. For many years and considerable capital investments are required for their establishment."

The final decision of the board of directors leaves the urban dwellers one last chance to change their minds and to extend a hand to the countryside.

Its essence is that the sovkhozes will put up all of the seed in accordance with existing measures and will prepare the soil in the areas traditionally planted in food crops. Finally, they will not undertake any measures to reduce the number of head of cattle.

Time will tell what crops will be put in what areas. It will depend upon what guarantees the local soviets give for the future.

POST-PROCUREMENT PROCESSING

Reasons for Grain Procurement Shortfalls Explored

Incentives Fail to Stimulate Procurement

914B0049A Moscow IZVESTIYA in Russian 4 Oct 90
Union Edition p 1

[Article by V. Gavrichkin: "There Are Incentives, But Little Grain in the Granaries"]

[Text] Now is not the time to thoroughly sum up the results of the harvest. Despite the fact that the last combine harvesters are leaving the fields, the managers of many farms are still absorbed in thought in front of the heaps of grain: Should they hand over the grain or not? However, now that we are recovering from the fever of emergency and not quite emergency measures in which the harvesting season now ending particularly abounded, we are entitled to ask: What has become of it, our "unprecedented" crop, and what else can we expect of it? We are entitled to ask and get a sufficiently reliable answer to this question.

As L. Tkachuk, deputy chief of the Glavprodresury [Main Administration for Foodstuffs Resources] of the USSR Council of Ministers Commission for Foodstuffs and Procurement, informed our editorial office, as of 24 September state orders for the delivery of grain were 64.5 percent filled; elevators and grain procurement facilities had placed 55.6 million tons of it in storage.

On the whole, the kolkhozes [collective farms] and sovkhozes [state farms] of 15 oblasts, krais, and autonomous republics have met their contractual obligations to the state. They are Bryansk, Orel, Lipetsk, Rostov, and Kaliningrad Oblasts, Stavropol and Khabarovsk Krais, and the Kalmyk and Kabardino-Balkar ASSR [Autonomous Soviet Socialist Republic] in the RSFSR [Russian Soviet Federated Socialist Republic], Grodno, Minsk, and Mogilev Oblasts in Belorussia, Donetsk and Volyn Oblasts in the Ukraine, and Ural'sk Oblast in Kazakhstan. In total, they have delivered 1.9 million tons of grain above state orders.

I will say bluntly that the results are depressing. For example, in Krasnodar Kray 9.3 million tons of grain have been threshed. Of this amount, 3.4 million tons have been delivered to the state, the procurement plan calling for 4 million. Kolkhozes and sovkhozes continue

to hold 5.9 million tons. It is understood that the infamous times of foodstuffs requisitioning are gone, and everybody is entitled to dispose of his grain as he sees fit, all the more so because a good reserve of fodder is necessary for animal husbandry. However, how large should this reserve be? For example, on the farms of Nizhniy Novgorod, Ternopol, Chernigov, and a number of other oblasts the balances of grain for the farms' own needs exceed the plan of its procurement by factors ranging between two and four. Meanwhile, at issue are precisely the oblasts which have so far failed to fill state orders.

What is happening? Could it be that financial incentives are weak?

No, it would not be right to complain about incentives. Let me recall that this year the government introduced increased procurement prices for grain. In the process, a promise was made to maintain existing wholesale prices for mixed feed in order to keep down the self-cost of the products of animal husbandry. Advantageous terms were established for bartering grain delivered in excess of the contracts for mixed feed. Procedures for the sale of high-quality grain and a number of other agricultural products for hard currency which were introduced a year ago are in effect.

We should note procurement prices in particular. For example, procurement prices for high-grade wheat increased by factors of 1.7 to 1.9, and those for grain crops by factors of 1.7 to 1.8. Specialists maintain that under such terms for sales the profitability of producing food grain will come to 250 (!) percent, whereas in the case of Class I hard wheat it will exceed 400 (!) percent.

This is fantastic, this is heaven. However... there are incentives, but little wheat in the granaries. Why?

The so-called administrative streamlining of prices has never done us any good. One does not need to be a prophet to understand that we will have a bad hangover after the current price feast as well. After all, it is clear that a gloomy shadow of retail price increases looms behind the dance of procurement prices. Given our lean budget, a new hole punched in it may only be patched up by using the printing press. This means yet another inflationary cycle.

To be sure, there is another way: To find a way out at the expense of our wallets, yours and mine. We are already seeing how this is done in the case of procurement prices for wheat. Markets and consumer cooperatives responded to this by a price upsurge. A McDonald's restaurant is located next to IZVESTIYA. Several days ago, a never-ending line in front of it vanished into thin air. Soviet people may be economic amateurs at this point, but the American owners of the restaurant know their stuff cold: Having figured it out full well, they doubled the cost of their Big Macs.

In a word, a price mechanism has been triggered which is dangerous to even touch in this unsteady and largely

conventional economy of ours without modifying its innermost foundations, because the consequences of this are unpredictable. However, we have touched it, and how! Perhaps, the members of parliament are locking horns in vain debating which path of transition to a market economy to opt for. It looks like we will not have to make a choice unless the price game is stopped now. All programs other than the government one will become impossible.

What have grain prices got to do with it? The point is that, according to predictions by specialists, this year we will succeed in procuring about 67 million tons of grain, that is, 78 to 79 percent of the amount of state orders—our current harvest notwithstanding! Therefore, the administratively established incentives are dead, and they cannot cause a genuine interest. Incidentally, decisions made behind a desk are not capable of ensuring genuine parity in economic relations between the cities and rural areas either. After all, it is absurd to pay two rubles now, in a year which may have brought the greatest bumper crop in our history, and when there is an excess of grain on many farms, for what used to cost one ruble before, when the harvest was poor. This does not stimulate sales, but rather an opportunity to sell less and, having made a sufficient amount of quite hollow rubles, retain the goods which have real value "for a rainy day." Genuine interests (and genuine parity in economic relations along with them) may only come about in a market economy with its freedom for producers, a multitude of forms of property and economic operations, and competition. Meanwhile, instead of moving toward a real market economy, we are galloping in the opposite direction by continuing to build an artificial economy.

Krasnodar Kray Abundance, Shortfall

914B0049B Moscow SELSKAYA ZHIZN in Russian
7 Dec 90 First Edition p 1

[Article by Yu. Semenenko, SELSKAYA ZHIZN correspondent: "Mohammed Did Not Come to the Mountain, or Why the Kuban Did Not Fill an Order for Grain Deliveries"]

[Text] For almost 60 years, a plan was communicated from the top every year specifying how much of what grain had to be sold (delivered) to the state and when, in a form which allowed no "departures," except for, perhaps, assuming increased obligations. The rayons, oblasts, and krays which obeyed the center gave generous assignments to the farms, communicating to them counter-plans and additional assignments. Everything to the last grain was swept out of kolkhoz [collective farm] and sovkhoz [state farm] barns, contrary to the economic interest of peasants and contrary to common sense.

It now appears that for the first time the dictate of higher offices has had to yield. The employees of farms, including, of course, those of the Kuban, have been given an opportunity to be guided by the interests of a grain market. What have the results been? State orders for the

delivery of grain which were set at four million tons for the kray still have not been filled. The arrears are minuscule, a mere 60,000 tons, just over 1.5 percent; on top of it, an absolute majority of rayons have considerably exceeded levels specified in contractual agreements. The yields in the Kuban are unparalleled—51.5 quintals per hectare. Correspondingly, an unprecedented gross of more than 10.3 million tons has been gathered.

In general, contracts could have been fulfilled and over-fulfilled by virtually all farms, all the more so because in the process of their signing no pressure was exerted from the top. Apparently, everything hinged on economic considerations. After procurement prices increased by factors ranging between 2.5 and three, it began to make sense to deliver the highest possible amount of grain to the granaries of the state. Alas, the managers of quite a number of farms and entire rayons who have been accustomed to harsh commands this time had no difficulty at all ignoring state orders.

Adygeya has the greatest "arrears"—100,000 tons. Meanwhile, here as well you may hear at all levels angry and bewildered reflections on why our country with such large areas under grains cannot be self-sufficient in food and fodder grain.

The imeni Lenin Kolkhoz in Teuchezhskiy Rayon is one of many debtors in Adygeya. The land of the kolkhoz is fertile. The yield is not bad either—42 quintals per hectare. However, only 2,441 tons of grain have been delivered toward the 3,410 tons contracted.

Kolkhoz Chairman M.G. Udzhukhu attributes the failure to honor the contract to allegedly following the lead of procurement agents and giving them an opportunity to drive up control statistics. In addition, he says, the rayon authorities pressured him making him sell 1,000 tons of grain to a local poultry farm (to be sure, my interlocutor specified that the price was higher than the state procurement price). On top of this, 450 tons which had been borrowed had to be returned. However, even after all of this more than enough grain remained on the farm. Makhmud Gissovich himself admitted that at present the kolkhoz has a surplus of 600 tons of grain.

Unreliability, the most difficult legacy of ours, is now hampering the resolution of the issue of grain procurement by means of internal resources and slowing down our normal entry into a market economy. The procurement of agricultural products this year has shed light on another flaw as well—the unpreparedness of procurement agents to work under new conditions. Strictly speaking, they cannot be called procurement agents either. All of their lives, the peasants used to be petitioners knocking on the doors of various offices with humble pleas to accept in the name of Christ the products they have grown. Therefore, the bosses of Ministry of Grain Products enterprises who were omnipotent with regard to suppliers but dirt-poor expected that everything would remain this year as it used to be.

However, the order of life itself was: It is time for Mohammed to go and bow to the mountain. However, how could such a sacrilege be allowed to occur? "Procurement agents" appealed to rayon party committees. Supposedly, it would be good to revert to a proven technique: to review grain and fodder balance sheets, calling the managers of all farms "on the carpet." Nobody responded to these requests. It is a different time now.

There are other obstacles in the way of bread to the state granaries which do not depend on local sentiments. Look at this: They were given new prices in the Kuban when grain procurement was in full swing. Had the Union government given them to the peasants several months sooner the state orders would have undoubtedly been filled long ago.

A long round of red tape preceded the clarification of extremely confused terms for grain sales against convertible rubles. While all of this was being puzzled out, as they say, the boat was missed.

As far as other measures aimed at providing financial incentives for grain procurement are concerned, they were even more belated. For example, RSFSR [Russian Soviet Federated Socialist Republic] Ministry of Agriculture regulations on the sale of machinery, materials, and equipment for processing agricultural products in exchange for above-the-contract grain were released as late as early October. Instructions of the republic Council of Ministers concerning the sale of material-technical assets and consumer goods on so-called Harvest-90 vouchers were "passed down" to the kray one month earlier, after procurement had virtually ended.

However, delays which rule out the necessary economic maneuvers are not the worst yet. Take a look at how the 1989 counter-sale obligations have been met. All farms are clients which have been wronged by the state. Cars, tractors, lumber, and metal have not been fully delivered on the account of counter-sale. It is very easy to destroy one's reputation and very difficult to convince the peasants that everything will be transacted in a gentlemanly manner.

What about standard rates which entitle one to purchase goods in short supply? They are neither here nor there. Let us hear the opinion of Andrey Zavgorodnev, chairman of the cooperative farm "For Peace and Labor" in Pavlovskiy Rayon, who is known in the kray:

"The managers of other farms and I are convinced: Such exchange equivalents have been factored into calculations that incentives exist only on paper but not in reality. For example, which one of the suppliers is able or willing to acquire equipment for a small sausage-making shop in exchange for 5,000 tons of grain, a micro-bakery in exchange for 2,000 tons, a passenger car in exchange for 1,000 tons, a TV set in exchange for 40 tons, or a sewing machine in exchange for 20 tons? This is 10 to 20 times more than the nominal price!"

Let us look at terms for exchanging grain for mixed feed. After all, the quality of mixed feed is so low, the price so high, and the procedure of receiving fodder mixes so protracted and ambiguous that many farms have preferred to keep their wheat for fodder—to do this despite the following being common knowledge: Feeding top-grade food grain to cows or hogs is no better than burning bills in a stove. As specialists estimate, there is about one million tons of such grain in the kray.

Indeed, all residents of the Kuban find the current procurement prices satisfactory. However, there is a reason they say that money cannot buy you happiness, all the more so when it has lost its nominal value. Where can one buy tractors, cars and spare parts for them, timber, glass, cement, and roofing slate now? Previous economic contacts have been disrupted. No matter what office a chairman goes to these days, hoping to receive this or that through planned allocations, he is told straight and in no uncertain terms: "You give us so and so much meat, cheese, or, at the very least, grain, and you will get it all. Otherwise..." This is how grain has become a hard currency with which one can buy whatever one pleases.

They do buy, and everything can be found—without confusion and delays! This could set an example for the Union and Russian governments, which frequently merely proclaim market relations whereas in the field they have already embarked on navigating their stormy and unfamiliar waters (frequently in a way detrimental to themselves and their native country).

Lag in Ukraine

914B0049C Moscow SELSKAYA ZHIZN in Russian
31 Oct 90 First Edition p 2

[Article by V. Uslanov: "Private Property. Is It Always Beneficial?"]

[Excerpt]

[passage omitted]

We have started talking about beggars once again. It is quite possible that they will become a normal phenomenon in our life. For example, here are the messages coming from the Ukraine. As in many areas of our country, the harvest over there is good this time—about a ton per capita. However, little grain is ending up in state granaries. Having been granted independence, the farms of the republic are selling grain to those who pay more. The Baltic republics are buying at 100 rubles per ton, and Moldova is buying at 50. Members of cooperatives are purchasing large quantities of grain and then reselling it abroad. It is easy to surmise that, given such a "commercial" approach to grain, we may very well end up without grain in winter. Incidentally, it is already in short supply—never mind that the harvest was that good!

[passage omitted]

There is no arguing that the countryside really does need equipment and lumber and fuel. But imagine if, not

having received meat (it does not matter where it was supposed to come from), the cities, krais, and oblasts that produce other material goods and have natural resources and raw materials suddenly were to remember their own sovereignty. Then Murmansk would veto the shipment of apatite and fish and lock up the port. Kazakhstan would not give up its grain, the Ukraine its sugar, Uzbekistan its cotton, Ivanovo its fabric, Sverdlovsk its scientific discoveries and state-of-the-art machinery, and Tyumen would shut off its natural gas and oil... I am sure I do not need to go on.

The USSR Council of Ministers State Commission for Food Goods and Purchasing has been trying to halt this process of disintegration, but for some time everyone has been ignoring the commission. Including the sovereign republics, the almost-sovereign oblasts, and the free workers of the city and village. The administrative command system has fallen apart. The renewed soviets, having received power, were unable to avail themselves of it. Apparently it is time, as the Presidential Edict demands, not only for the leaders of the enterprises but also the labor collectives to take direct operating control of the process for concluding economic contracts, to confront the official confusion, pursuit of local interests, and group intrigues, and replace them with organization, practicality, and responsibility to all of society. And they should do it in such a way that the specific people guilty of disorganizing conditions in the country's domestic market (including the meat market) pay a penalty—with their own rubles.

Winter Difficulties Reported

914B0045B Moscow SELSKAYA ZHIZN in Russian
24 Nov 90 First Edition p 1

[Article by TASS correspondents A. Russkiy, V. Troyanovskiy, and P. Shamrayev under the rubric: "Winter on the Farms: What an Economy!"—first paragraph is introduction]

[Text] Elista, Tambov, Novgorod—How quickly and which way the situation of the dairy and meat market changes depends to a great degree on the organization of the wintering of the livestock. TASS correspondents checked on its progress in a number of regions. Here is what they found.

Although enough fodder has been laid up for the winter for sheep on the farms of Yustinskiy Rayon in Kalmykia, things are not going well here. The target for meat sales to the state is not being met. And there are more deaths among the livestock on the "Barun," "Razdolnyy," and "Nikolskiy" sovkhozes. This is not surprising. Winter has already set in for the most part, but all the flocks remain on their bare native ranges. And the already scanty vegetation of the half-desert has been grazed, as they say, to the roots. The sheep are starving, but they are not given any kind of supplemental food in order to economize on fodder. It is natural that this kind of "economy" has led to exhaustion of the animals.

The situation is similar on the majority of the farms of Yashkul'skiy, Chernozemelskiy, Iki-Burul'skiy, and a number of other sheep-cultivating rayons of the republic. Here there is an undeniable tradition of maintaining the flocks on the pastures during the winter. In ancient times this was completely justifiable—the rich grassy snowless Chernozem earth yielded good nourishment. But now the winter ranges are worn out.

In recent years irrigated tracts of forage land existed on almost all the farms. The necessary quantity of fodder crops to provide hay and haylage are grown on them. The republic's farms have more than 200 feed preparation shops and houses in which winter rations are prepared. But now that the flocks have been leased to them, the breeders, in search of profits, are trying to squeeze as much as they can from the pastures in order to use less of the expensive cultivated fodder. The result is a reduction in productivity and even loss of livestock. Since the beginning of this year the farms have already lost more than 190,000 sheep and 4,000 head of horned cattle. And more than 30,000 sheep died from illness and hunger in October alone! It would seem there may be a catastrophe worse than the one that took place here in 1987, when Kalmykia lost one-fifth of the flocks. And this is despite the presence of reserves of rough, succulent, and concentrated fodders that are equal to last year's stores.

The dairy maids T. Moldova and S. Presnyakova gave an ultimatum to the leaders of the kolkhoz "Put Lenina" in Novgorod:

"Either you fulfill our demands or we will hand in our resignations. The bosses can milk the cows themselves."

This story began a year and a half ago. At that time a large group of specialists from the rayon center arrived at the urgent request of the farm's workers. The examiners verified the accuracy of the complaints of the breeders: The cows were being maintained in damp and cold lodgings, they were brought fodder at irregular intervals, and the cattle shed was often not even provided with sawdust. There was no heating in the farm's recreation room.

"No self-respecting person," complained the dairy maids, "would work under such conditions."

Everything would be done by 1 June, according to N. Snopov, the chairman of the kolkhoz at that time. But June passed, summer ended, winter set in, and only two of the numerous promises were carried out: A storeroom for mixed feed was put into operation, and the delivery of sawdust was set right...

Unfortunately, that is not the only farm where they are indifferent to the business and problems of the livestock breeders. At the sovkhoz imeni the 50th anniversary of the USSR, manual labor is the rule on all the farms and there is nowhere for the dairy maids to rest. About two years before there had been showers on the central farm.

but now even they are broken down. Things are no better on the farms of the sovkhoz "Trudovik."

There are, indeed, instances of genuine concern for the breeders in the oblast. Almost all the farms of Valdayskiy Rayon are equipped with comfortable rooms where one may rest, drink a little tea, watch television, and look through reference books, diagrams of how cows give birth to calves, the animals' feed rations, and the day's schedule.

Eighteen percent less fodder has been stored this year in the oblast than last year. Under these conditions it is especially important to prepare the fodder correctly. But many of the feed preparation shops and houses are idle. To be more accurate, 58 shops and 12 houses, one-third and one-fifth of their number respectively, are idle. And there is no mechanization. The difficult work has to be done by hand—carrying buckets, carts, and bags. Seeing that, who would agree to change places with the dairy maids? Who will succeed them when they are gone? But that is a future worry. In the meantime, the oblast lost 2,500 tons of milk (by comparison with last year) in October alone.

The many thousand cattle of the herd of the Kirsanovskiy agro-industrial plant in Tambov Oblast are wintering in warm and dry lodgings and with a great reserve of rough and succulent fodders. All 18 farms repaired their cow sheds, pigpens, and sheep folds on time, the feed shops are working without interruption, and the hay, straw, and fodder root crops that have been transported from the fields are now securely under cover. Because of good preparation before the season, the rayon (one of several in the oblast) is "ahead" in meat and milk. The "Zarya" kolkhoz, the kolkhoz imeni Kuybyshev, and the "Pamyat Kirova" sovkhoz have already fulfilled their five-year plans for the sale of meat, milk, and wool and are producing output above and beyond the plan. This has allowed the residents of the rayon to receive more goods; fifteen company stores of the agricultural plant have been opened at remote farms; a raw materials factory has been put into operation at the kolkhoz imeni Lenin.

"We are developing a multilayered agricultural economy in the rayon," explains A. Kozmin, chairman of the city soviet. "A large part of the feeder herd has been leased to 200 family collectives for whom the plant has set up, on a priority basis, small farms. These small farms have been constructed for the most part directly on the range."

However the livestock breeders of Morshanskiy Rayon are looking forward to adversity with the wintering. On the very threshold of winter the milk yield of the cows has already declined by 139 kg by comparison with last year. There has been less weight gain. In the words of V. Slozhanikin, chairman of the rayon Soviet, the situation has been aggravated by a shortage of fodder; 12.1 fodder units have been prepared per head instead of the 19 units in the plan. Repair of the livestock buildings has not been completed on the majority of the farms. There is no one to work—the personnel of the remote farms are dwindling catastrophically. People leave because of the lack of daily necessities, hospitals, schools, and roads. The agricultural service has halted

deliveries of slate and roofing material to the farms. Zhugalevskiy and Novoulyanovskiy construction material factories and the enterprises of Altay and Ryazan have not delivered what they promised. Do the workers of these enterprises understand that they may have to go without agricultural goods in return?

Sugar Beet Procurement, Distribution Problems in Ukraine

Transport Problems

914B0047A Moscow SELSKAYA ZHIZN in Russian
14 Nov 90 First Edition p 1

[Article by L. Kosyuchenko, under the rubric: "We Sound the Alarm!": "The Storage Bins Are Bursting With Sugar"]

[Text] A difficult situation has developed at the Ukrainian sugar refineries. One plant after another is sending out the alarm: "We Are on the Point of Shutting Down!"

It has to be admitted that they prepared pretty well for the sugar refining season here, and, despite all the problems with spare parts, the processing lines are working normally. So what is going on?

"In our oblast several plants may shut down because they have nowhere to put the sugar. The storage facilities are filled and very few railroad cars are arriving to ship out this valuable product," says Viktor Illarionovich Lyashchenko, chief of the transportation department of the Poltava Oblast sugar beet production, harvest, and processing association.

And he cites some sad facts. According to the plan (and incidentally, a very low one!), in September the railroads were supposed to deliver 1,325 special closed cars to sugar refineries in the Poltava region. In fact only 929 arrived, a good half of which were not designed for hauling sugar and are much smaller in capacity. The situation did not improve in October either. Some plants, among them the Artemovskiy plant in Chutovskiy Rayon, did not receive a single car during the month. Through great efforts the Veselo-Podolyanskiy plant managed to ship just 15 tons in the whole month of September, although they process more than 420 tons of sugar in 24 hours there. About 9,000 tons of this very scarce product has now accumulated in storage facilities at this enterprise.

There is even more sugar in storage at the Lohvitskiy plant, the largest in the country and in all of Europe. In a 24-hour period this giant plant produces 1,300 tons of sugar; there are already mountains of sugar, about 15,000 tons, in its storage facilities.

It is hard even to imagine the total amount of sugar that has accumulated, ready to ship, at Ukrainian refineries—about 1 million tons!

"The mood in the worker shops is explosive, you could say," comments L. I. Moskalenko, director of the Parkhomovskiy Sugar Refinery in Krasnokutskiy Rayon of Kharkov Oblast.

"The work collective council stands with me, the director, in the belief that it is a crime to stack bags of sugar in the open air. We will not do it, even if we have to shut down the plant and take large losses ourselves. And you know, shutting down the plant means more than just lost earnings for all workers."

Radio and television reports that the Ukrainian sugar refiners are supposedly hiding the sugar and do not want to ship it outside the republic have poured fat on the fire. This allegation by the USSR rail department does not, to put it mildly, correspond to reality. The managing comrades from the USSR Ministry of Railroads should not be thinking of how to avoid responsibility and shove the blame for failure of sugar deliveries on someone else; they should figure out how to deliver a few more railroad cars to carry this scarce product.

The Parkhomovskiy refinery director's alarm is well-founded. The enterprise's storage facilities will be able to take sugar for two or three more days, but after that they will either store the product in the open air or shut down the plant. If the situation with delivery of railroad cars does not improve in a few days the Parkhomovskiy sugar workers are ready to take extreme measures—to declare a warning hunger strike to draw attention to the disrespect, the criminal attitude, that is being shown for the results of their intensive labor, for delivering this product which is so much needed by the population of the whole country.

Those are the facts.

From the editors. Those are the facts. An amazing picture results! In many cities, among them Moscow, people cannot buy sugar even with ration cards, while mountains of the scarce product are growing at the sugar refineries, because there are no railroad cars. At the same time the USSR Ministry of Railroads alleges that there is no freight to haul. When will this narrow departmentalism stop; when will we remember state discipline?

Rail Transport Efforts

914B0047B Moscow SELSKAYA ZHIZN in Russian
24 Nov 90 First Edition p 2

[Article by L. Kosyuchenko, under the rubric: "Returning to Earlier Stories:" "The Railroad Workers Tried a Little Harder"]

[Text] It has become unusually quiet in the halls of the Poltava Oblast sugar beet production, harvesting, and refining association; the persistent supplicants, the hard-hitting "fixers," the specialists in getting sugar delivered who besieged Poltava have been withdrawn and gone home to their regions. Among the many furious exchanges I heard, this one, in the office of V. V. Borichuk, general director of the oblast association, stays in my mind because of its expressiveness.

"My dear friend! I can see that you don't understand what it means to leave Uzbekistan without sugar. What is an Uzbek without his cup of tea?" the swarthy guest rolled his eyes upward.

"I understand everything very well," Borichuk tried to respond calmly. "And we're not begrudging our sugar. We have a lot of it. We don't even have room to store it all. But we have no railroad cars to ship it in."

I repeat, I had to observe such scenes in September and October. They inspired me to send an urgent critical article on the wire to the paper under the headline: "The Storage Bins Are Bursting With Sugar" (SELSKAYA ZHIZN, 14 Nov 90). But today objectivity demands that I say that the shipping of sugar from Ukrainian refineries is going much better. The railroad workers have significantly increased the delivery of cars.

"Yes, our partners can work precisely, if they want to," L. I. Moskalenko, director of the Parkhomovskiy plant, states. "They are delivering three empty cars a day without interruption. We load them with freshly processed sugar straight from the shops. It would be good if the railroad maintained this rhythm until the end of the refining season."

You can also pick out the happy notes in the voice of V. V. Borichuk, head of the Poltava beet processing association.

"The situation is straightening out. In November we shipped more than 500 cars of sugar just to Uzbekistan. You can say that we have shipped large amounts of sugar from our plants to Siberia, Astrakhan, Tajikistan, Armenia, and other republics. Thanks to the railroad workers; they tried a little harder. We now have the capability of quickly making up the shortfalls."

Harvest Ending, Rail Cars Available

914B0047C Moscow SELSKAYA ZHIZN in Russian
25 Nov 90 First Edition p 1

[Ukrinform-TASS report: "Ukrainian Sugar Is on the Move"]

[Text] Kiev, 24 November. (Ukrinform-TASS correspondent). The harvest and delivery of sugar beets from the more than 1.6 million hectares of Ukrainian fields, the country's largest sugar beet area, is completed. About 43 million tons of beets have been received at the refineries.

Although this is less than the planned amount, the planned 5.1 million tons of sugar will be produced thanks to the slightly higher (up 1.5 percent) sugar content of the beets. Good weather and timely preparation of harvest stations to receive the beets made it possible to reduce losses and increase the sugar yield, which was more than 15 percent at the refineries of Kirovograd, Vinnitsa, and Poltava oblasts. More than 3.7 million tons of sugar has been shipped to consumers, while for the republic as a whole less than 30 percent of the harvest remains to be processed.

This year they were able to avoid a shortage of railroad cars for shipping the finished product, so that it did not pile up in storage facilities. But not all transportation problems have been resolved.

AGROTECHNOLOGY

Efficiency of Grain Production in Volga Region Examined

914B0027A Saratov STEPNIYE PROSTORY
in Russian No 9, Sep 90 pp 12-15

[Article by B. K. Markin, senior scientific worker of the Southeastern NIISKh [Scientific Research Institute for Agriculture] Elita Povolozhya NPO [Scientific production association]: "Reserves and Resources in the Grain

Industry." Relevant materials appeared in JPRS UEA-90-026 p 37 and also in JPRS UEA-90-028 p 35.]

[Text]

Productivity and Production Costs

On the average for 1986-1989 grains occupied 63 percent of the total area in all crops in Saratov Oblast and had a considerable effect on the results of the financial operations of enterprises.

However, their productivity has practically not increased with the simultaneous 5-8 percent increase growth in production cost of a quintal of grain (see Table 1).

Table 1: Dynamics of Productivity and Production Costs

Indicators	1966-1970	1971-1975	1976-1980	1981-1985	1986-1989	1986-1989 in percent of 1966-1970
Productivity, quintals per hectare	10.7	10.6	12.2	10.6	11.3	105.6
Production cost of 1 quintal of grain, rubles	4.8	5.8	7.1	9.6	11.8	245.8

Whereas under conditions of scientific-research institutions and state variety plots (GSU) average productivity of grains has been increasing regularly from one five-year plan to the next, at present exceeding 20 quintals per hectare, in oblast kolkhozes and sovkhoses it has remained on the level of the mid-1960's at 10-12 quintals per hectare. Why?

As an analysis shows, the size and structure of assets being invested in the grain industry is not securing the needed pace of growth of productivity and grain production profitability. In oblast kolkhozes and sovkhoses expenditures for intensive factors (seed, fertilizer, plant-protection agents) are lower by a factor of 1.5-3.5 than levels recommended by scientific-research institutions, which naturally results in a shortfall of grain and a growth in production costs.

Within total expenditures per hectare of winter crops expenditures for fertilizers and chemical agents in the Southeastern NIISKh equalled 69.7 rubles (35 percent) during the last 4 years, as compared to oblast kolkhozes

and sovkhoses—22.3 rubles (11 percent). Because of this, productivity on NIISKh fields is greater by a factor of 2.3 and clear income and profitability in grain production—by a factor of 5-6.4, than in the oblast as a whole.

We should also take into account the fertility of soils (Table 2), the structure of sowing area and the supply of material-technical and manpower resources available to the enterprise. The enumerated factors differ according to region as well as to oblast enterprise. The economic assessment of the land by rayon varied from 14.5 points (semi-desert steppe, Algayskiy Rayon) to 34 points (chernozem steppe, Turkovskiy Rayon). Per 100 hectares of arable land resource availability comprised: fixed production capital earmarked for agricultural purposes—40,000-250,000 rubles, energy assets—108 to 404 horsepower, manpower—1.3-8.2 persons. This is why the productivity of grains in 1985-1989 varied from 1.6 to 19.1 quintals per hectare in the oblast's rayons, and the production cost of a quintal of grain—from 8.2 to 43.9 rubles.

Table 2: Effectiveness of Grain Production Depending on Soil Quality Index

Indicator	Group of enterprises according to points-assessment of soil (RSFSR scale)			
	25.0-27.0	27.1-29.0	29.1-31.0	31.1-33.0
Number of enterprises within the group	43	52	72	68
Productivity of grains, quintals per hectare	8.5	9.3	10.9	12.1
Production cost of 1 quintal of grain, rubles	9.88	9.80	9.00	7.89
Obtained per hectare, rubles:				
—gross production	100.3	104.2	123.2	139.2
—clear income	16.4	13.1	25.1	47
Level of profitability, percent	19.5	14.4	25.6	45

To a lesser degree the level of productivity and production costs in grain production are determined by soil and climate conditions. For example, in right-bank kolkhozes and sovkhoses, where the soil quality index is better, the productivity of grains over a period of 5 years has been higher and production costs have been lower than in enterprises in which soil quality is lower.

Additional income produced by improving soil quality by plus or minus a point comprised 4.5 rubles on the right bank and 5.8 rubles in the Transvolga region per hectare of grains, which it is necessary to take into account when planning productivity.

In the enterprises of the first microzone the best economic indicators for grain production have been obtained by the group in which supplies of fixed production capital earmarked for agricultural purposes equals up to 700-800 rubles per hectare.

Further increases in capital availability increased productivity by only 2 percent. The production cost of a quintal of grain increased by 9 percent, which naturally decreased production profitability and clear income. With a level below 600 and over 800 rubles per hectare clear income per hectare of grains is lower by 26-36 percent and the level of profitability—by 8-18 percent.

This is why on the right bank alone a capital availability of 700-800 rubles per hectares will enable us to annually generate 128,000 tons of grain and 12.3 million rubles of clear income additionally.

Energy supplies, the most active portion of fixed production capital, have the greatest effect on increasing the productivity and effectiveness of grain production. Calculations have shown that on dry-farming lands in Saratov Oblast in order to fulfill operations within an agrotechnically-optimal period it is essential to have 1.9-2.2 horsepower of energy capacities per hectare of arable land. Within the structure of energy supplies we must have 0.98-1.1 horsepower (48-55 percent) for tractors, 0.35-0.5 horsepower (17-20 percent) for automobiles, and 0.48-0.52 (24-27 percent) for grain-harvesting combines.

The deviation from an efficient level of energy supply and a lack of adherence to its structure considerably decreases both output as well as labor productivity. For example, in the enterprises of the first microzone with 2.0-2.2 horsepower per hectare of arable land, the productivity of grains is 17 percent, and labor productivity—25 percent, higher than in similar enterprises in which energy supplies are less than 1.4 horsepower.

In the kolkhozes and sovkhoses of the sixth microzone, with an energy supply of 1.93 horsepower per hectare, grain productivity is 29-38 percent greater, and clear income—greater by a factor of 1.7-2.5, than in enterprises with a capital availability of 1.06 and 1.39 horsepower per hectare.

Labor productivity has increased by a factor of 1.4-1.9 times when more energy has been available. Additional expenditures to increase energy supplies have been reimbursed by the increase in yield. The economic effect of a growth in clear income exceeded 40 rubles per hectare.

Despite this, actual energy supplies in the oblast are still far from the optimum level and comprise only 1.5 horsepower instead of 2 horsepower according to the norms for dry-farming land and 2.5-3.0 horsepower for irrigated land.

Another important condition for highly-efficient management is an adequate supply of tractors and agricultural machines. According to norms developed in the Southeastern NIISKh, based on 1,000 hectares of arable land Saratov Oblast needs 10.6 standard tractors. In actual fact it has half of the required norm. Moreover, it has been noted that they are not being used to capacity in view of the inadequate quantity of agricultural machines. To most effectively utilize equipment the proportion between the cost of tractors and agricultural machines should be 1:2.0-2.5 instead of 1:1.5, which is the case at present.

The great availability of manpower resources to enterprises was the basis for the production of large and stable grain harvests. On the right bank, where 50-60 people were available for 1,000 hectares of arable land, average productivity of grains was higher by 26 percent, and the production cost of a quintal of grain was lower by 17 percent, than in enterprises with 30 workers per 1,000 hectares. Clear income per hectare of grains increased by 27 rubles in this case, and level of profitability—by 26 percent. Nevertheless, increasing manpower resources to 60-70 persons per 1,000 hectares is not economically justified—the production cost of a quintal increases by 15 percent, decreasing profitability by 14 percent.

In the Transvolga regions of the oblast increasing the number of workers to 50-55 per 1,000 hectares results in the production of 14.1 quintals per hectare of grains, which is 4.7 quintals per hectare or 50 percent more than in enterprises in which there are up to 30 workers per 1,000 hectares of arable land.

Right now actual manpower availability in the oblast is 34 persons per 1,000 hectares, which is less by a factor of 1.5 than the efficient level.

I will begin with an example. In enterprises of the first microzone, where expenditures for the use of fertilizers comprised 14-17 rubles per hectare, the average productivity of grains over a period of 5 years was greater by 28 percent, and clear income per hectare—by 63 percent, than in enterprises in which similar expenditures did not exceed 5 rubles per hectare. Per ruble of expenditures we generate 2.3 rubles of gross production and 1.3 rubles of clear income. In enterprises of the second and third microzones, with an increase in the dose of fertilizer applied clear income increased by a factor of 1.3-1.7 and productivity level—by a factor of 1.2-1.8.

The kolkhoses and sovkholes of the Transvolga area, spending 5-8 rubles per hectare for fertilizer, produced 12.5 quintals of grain, 148.8 rubles of gross production and 52.3 rubles of clear income with a profitability level of 54 percent. In enterprises that did not spend over 2 rubles per hectare for fertilizer, the productivity of grains decreased to 8.8 quintals per hectare, the cost of gross production—to 110.0 rubles, clear income—to 25.3 rubles, and the level of profitability—to 30 percent. Additional expenditures for fertilizer were fully reimbursed by an increase in yield. The economic effectiveness of using mineral fertilizers was 27 rubles per hectare, and for the entire area in grains (345,400 hectares)—9.3 million rubles.

Meanwhile, in oblast enterprises during the last 8 years only 49 percent of the area in grains was fertilized, and per hectare of crops only 23 kilograms of active substance were applied, which is lower by a factor of 2-4 than under GSU conditions. Taking this into consideration, the average productivity of grains in the GSU was higher by a factor of 2.2, and the production cost of a quintal of grain was less by a factor of 1.6, than in the oblast as a whole.

The increased cost of mineral fertilizer and the urgent need to increase their use in order to increase grain output and quality requires the development of the most effective means of fertilizer application. The spreading method of fertilizer application utilized in most enterprises in the oblast results in great losses of nutrients and in a decrease in utilization effectiveness. For this reason the localized application method for pre-sowing cultivation simultaneously with sowing deserves special attention. In tests of the agrochemical department of the Southeast NIISKh the increase in yield of Saratov-59 durum wheat due to the localized application of N60 equalled 4.1 quintals per hectare, or 95 percent as compared to the spreading method. The economic effect equals 124.4 rubles, which is over three times greater than clear income per hectare of grains in Saratov Oblast in 1981-1989.

The increase in spring wheat yield due to localized application of N60 equals 8.2 quintals per hectare (48 percent) as compared to the non-fertilized variant, and the category that grains are classified in has improved from the second to first. Calculations have shown that 228 rubles (67 percent) of the cost of increased yield have been achieved by means of increasing productivity, and 114 rubles (33 percent)—on the basis of improving wheat quality.

It is not difficult to calculate that every ton of active substance of locally-applied nitrogen fertilizer (as compared to the spreading method) provides an additional 68 tons of classified grain and 2,073 rubles of clear income.

How Realistic are Plans?

Saratov Oblast is located within the boundaries of four natural zones ranging from the forest-steppe to the

semi-desert, which naturally requires a differentiated approach to planning. Moreover, the plans and state orders that are "brought down" from above often openly ignore this special feature. It is totally ridiculous to have planning based on the achieved level—enterprises that are operating well are placed under equal conditions vis-a-vis lagging enterprises, which find it easier to overfulfill the plan and to sell grain at a higher valuation. This does not stimulate the highly effective use of production potential.

Often supplements for high-quality grain are lower than for above-plan grain sales, which gives rise to an enterprise's attempt to institute a depressed quota and to put in second place measures to raise grain quality.

In order to improve the scientific foundation of planning and to equalize economic management conditions in terms of the conditions that exist in Saratov Oblast, a model for the dependence of grain productivity (production potential) on the resource availability of enterprises was developed (see STEPNIYYE PROSTORY, 1980, No 1, p 11).

The calculations that have been made on the basis of this model have demonstrated that the productivity of grains depends 54.1 percent on soil-climatic conditions and 45.9 percent on the enterprise's supply of material-technical and manpower resources (including energy capacity—16.2, labor resources—14.7, expenditures per hectare of crops, including expenditures for fertilizer—12.2 percent).

At the present time in comparison with 1970 the proportion of natural factors and manpower resources in the formation of the harvest has decreased by 13 percent and the proportion of material-technical resources has increased correspondingly. This tendency will be maintained in the future as well. For this reason, further improvements in productivity and effective grain production are possible only with a considerable improvement in the level of intensification of farming.

On the basis of the existing model and with a knowledge of resource availability, the area in grains and the interenterprise need for grain, it is possible to plan the volume of grain production and sales to the state, to determine the intensity of plans and to balance plans and resources.

During the 12th Five-Year Plan the normative productivity of grains in the oblast is 12.4 quintals per hectare, with the consideration of existing resources. The interenterprise need for grain (seed—0.7, payment in kind—0.3, grain forage—2.0 million tons) amounts to 3.0 million tons. With a sowing area for grains of 3.6 million hectares gross grain yield will comprise 4.5 million tons, and the real plan for grain sales to the state (4.5 - 3.0)—1.5 million tons. But already in 1986-1990 Saratov Oblast has increased its plan for the sale of grains to 3.2 million tons, which does not correspond to resources

allocated. The ephemeral nature of such a plan is confirmed by practical experience. In 4 years of five the oblast has submitted less than half, or 34 percent, of the quota.

In order to fulfill the indicated plan (3.2 million tons) the oblast must produce 17 quintals of grain per hectare. To achieve this it will have to increase manpower resources by a factor of 1.6, energy resources and agricultural machinery—by a factor of 1.7, and fertilizers and plant protection agents—by a factor of 2.7 as compared to actual levels. Where will this increase come from?

What Does Effectiveness Depend On?

To objectively assess and compare the results of factors that increase the productivity of grains it is expedient to separate these factors into three groups: resource availability in enterprises (together and separately), structure of sowing area, and the effectiveness of utilizing production potential as related to the level of organization and stimulation of labor. This will enable us to delimit the effect of resource availability related to additional expenditures of labor and capital and the action of the most effective sowing structure and economic mechanism that do not require special additional expenditures.

The effectiveness of utilizing production potential is determined here by the relationship of actual productivity to normative (production potential).

An analysis of the status of grain production in the oblast has shown that reserves for increasing production effectiveness exist in every microzone and rayon. The main way to increase effectiveness is to increase the productivity of grains. At this point profitability of grain production will increase and production costs will decrease.

For example, in the first microzone Rtishchevskiy Rayon has a soil quality index that is 11 percent, and a

manpower availability that is 35 percent higher than that of Samoylovskiy Rayon. The production potential of Rtishchevskiy Rayon is 8 percent higher but average productivity of grains in 1986-1989 in Samoylovskiy Rayon was higher by 4.6 quintals per hectare, or 40 percent, than in Rtishchevskiy Rayon thanks to the introduction of more effective forms of labor organization and incentives. The production potential in Samoylovskiy Rayon was utilized by 109 percent, and in Rtishchevskiy—only by 72 percent.

An analysis has shown that the main reason for the low productivity of grains in Rtishchevskiy Rayon remains not resource availability but the low level of utilization of production potential related to an imperfect structure of grains and a poor material interest of production collectives in achieving high end results. Calculations have shown that if Rtishchevskiy Rayon can improve the effectiveness of utilizing production potential to the level of Samoylovskiy Rayon by means of progressive forms of labor organization and incentives, the average annual productivity in the rayon can increase to 17.3 quintals per hectare (by 50 percent) without an increase in capital availability. The rayon can then produce over 460,000 quintals of grain additionally each year from an area of 79,000 hectares. All of this can be done without additional expenditures of labor and resources.

The enterprises of Saratov Oblast have unused reserves for increasing productivity and effectiveness of grain production on the basis of increasing resource availability in enterprises, of introducing intensive technologies for cultivating grains, of improving the structures of sowing area and of the use of progressive forms of labor organization and incentives. A comprehensive use of these measures, as shown by the experience of progressive oblast enterprises and rayons, will enable us to increase the productivity of grains and the profitability of grain production by a factor of no less than 1.3-1.5.

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POLICY, ORGANIZATION

New Commodity Exchanges Focus on Building Materials

Exchange Opens in Dushanbe

914A0068A Dushanbe *KOMMUNIST*
TADZHIKISTANA in Russian 23 Sep 90 p 3

[Interview with Maksud Musakulovich Ikramov, chairman of the Dushanbe Gorsovet Ispolkom, by A. Pal: "The Commodity Exchange Opens the Door"]

[Text] The Dushanbe Ispolkom, without waiting for an announcement about the country's entry into a market economy, is taking steps to master it. To begin with, it is necessary to consider the creation two years ago of the ispolkom's commercial bank, and now, along with it, a regional commodity exchange, which is oriented basically to the construction complex.

After the founding meeting, *KOMMUNIST TADZHIKISTANA* correspondent interviewed Chairman of the Dushanbe Gorsovet Ispolkom Maksud Musakulovich Ikramov.

[Correspondent] The first question is, of course, what compelled you to undertake to organize a commodities market?

[Ikramov] Upon conversion to the market economy, right away we were experiencing the greatest difficulties with material resources. And we felt them this year, when we faced quite high rates of housing introductions. Indeed, during the first eight months of this year 172,000 square meters were turned over, while for all of last year the figure was about 157,000. Yet all this is occurring during a great shortage and an outflow of construction workers. Methods out of the ordinary were sought. A production line for a slate plant was acquired and three brick plants were built. An agreement was made with a cement combine that the city will receive one-third of plan overfulfillment. But, primarily, all this required money. Whom to borrow from? This was no way out. It was found in the organization of our own bank. True, this did not happen without critical remarks about us at first.

Time has shown that the risk was justified.

Money that the ispolkom borrowed is enabling us to solve social problems, instead of discussing them endlessly.

In brief, all this led us to the idea of organizing a commodities market. We took a look at what finances we had at our disposal and what sort of a materials base we had that would enable us to trade for building materials and certain kinds of products. We organized our own APK [agroindustrial complex], and also some kolхозes

and sovkhoses are being given incentives from our own potential. We undertook the development of coal at the Nazaraylok field.

As founders of the commodity exchange, we are acquiring city enterprises, which will create a state fund. This is its principle: bring 100,000 and you get a million in credit, 200,000—two million. And this money—the 100,000 or 200,000—will "work" in our bank.

[Correspondent] They asked you at the meeting: what do you get for the credit?

[Ikramov] It depends upon what kind of contribution is made and on what the purposes are in getting the credit. From two-and-a-half to 10 percent. It is based upon the examination of the founders and the ispolkom. The state fund, according to our plan, consists of 10-12 million. Other banks cannot give credit lower than 10 percent. Their charter governs them. But here we ourselves decide, because the money is ours.

[Correspondent] Ours—that is good, but, as is said, they do not have just a "price." Lest they be called villagers. Under the concept of convertibility, most of the population invests basically in the ruble's capability to work on the world market, and indeed at home it should win a firm position. Right now we are beginning to recognize that rubles are our red corpuscles. They must answer to the highest degree of responsibility.

[Ikramov] The ruble will get up on its own feet when we cover the market with commodities. Then it will work.

[Correspondent] In order to fill the stores with commodities, it is necessary, on the basis of privatization, to inject real life into small enterprises. How will they blend in, in the commodities exchange? Just representatives of large urban enterprises attended the meeting.

[Ikramov] Small enterprises will participate in the exchange. Of course today many of them do not have 100,000 rubles, but only, we assume, 500. We can, upon taking their money, issue 10,000 in credit.

[Correspondent] This means that small enterprises will be favored by the lowest interest on credit?

[Ikramov] Not only the lowest but in some cases no interest, although today no bank will take less than 3 percent. The main approach is that this work is necessary for society. But the question is correct: we must do everything in principle to impart an impulse to the development of small enterprises.

[Correspondent] And so you will give credits. Will their use be monitored? We have had much experience in spending money to no purpose.

[Ikramov] We have an approach that is different from the former one. If we delve deeply into everything, then what happened to the former bank, which restricted enterprises with every possible prohibiting instruction, will happen again. Right now the principles of trust and

of competence of the manager should operate. Otherwise we again will have to assemble staffs of monitors, book-keepers and administrators and to create various sections. Therefore we shall travel along the path of freedom. If the enterprise does not settle with us on time, then a commission of the founders will be created, who will decide what to do with it: auction it off or give more time and credit. But from the banks' income. The regulation will stipulate that the interest obtained from the founders' funds will be placed only at the ispolkom's disposal. Although some are setting these provisos: I am contributing 100,000 but give me my share of the interest received.

No, we shall not go for that. We are earning this money and should have our reserve.

[Correspondent] But your money is not a bottomless sack, and there are very many cases where cooperatives after taking bank loans, do not repay them on time. Worse yet, they disappear entirely somewhere, together with lots of money.

[Ikramov] Many have taken advantage of this heavenly manna. But you have noted: we have not had one representative of cooperatives. We will work only with state enterprises. If cooperatives are admitted into the commodities exchange, then they will at once seek ways to ruin us and enrich themselves. Perhaps I am unjust, but cooperatives are ravaging the country.

[Correspondent] Yes, here you will have to hold back the onslaught. You will need, as they now say, sponsors for protection.

[Ikramov] In this matter we are counting on help from your newspaper.

[Correspondent] What are the prospects of the commodities exchange's participating in the market of the Central Asian republics and Kazakhstan and of connections with other republics, especially with the RSFSR?

[Ikramov] The chairman of the soviet of the commodities exchange founders and the deputy manager of PSO Tadzhiydroenergostroy [Design and Construction Association for the Construction of Power-Engineering Facilities in the Tadzhik SSR] K. Ashurov have already invited a number of RSFSR oblasts and cities—Irkutsk and Sverdlovsk oblasts and Nizhegorodskaya (as published)—and concluded agreements with enterprises there about collaborating over a period of 10 to 15 years. These include timber and metal under barter transactions and the creation of joint enterprises. In exchange, we will deliver our commodities.

[Correspondent] Won't an undesirable situation occur: an exchange just of a commodity for a commodity?

[Ikramov] This is, of course, undesirable. Here incentive relationships play a role. We get, for example, pipe according to our price. But the supplier imposes on us the proviso of adding 20 percent for development of his social sphere, which is extremely impoverished. We go

through his commercial bank for this, since we need this pipe extremely badly. They are now lying on the streets of our urban microrayons. Or there is this example. We bought 25 excavators at double price. And with them we covered the deficit of all the city's commune members. Imagine what this means, to obtain such a number of excavators for about one year through a commercial bank! A tangle of hopeless problems was solved simply and ahead of time. So it is that here it was not only a commodity for a commodity but also monetary operations. In a year these excavators can cost three times as much. You will agree with me.

[Correspondent] And a last question: How, given the commodities exchange's existence, will the shelves of our stores look? As is said, we are having a daydream.

[Ikramov] About two years from now the situation will look like this. First, the exchange will have its own state fund—at least 10 million rubles. We will do a lot of building. For example, a faience factory jointly with a West German firm and, with the Austrian Villes, a plant for producing cottage-type homes. We shall organize the production of plumbing products, of which we have large shortages, cabinetmakers' products, unglazed tiles, and heat insulation, of which there is also a terrible shortage. I think that in two years store shelves will have a selection of all the necessary commodities. The commodities exchange should put the social sphere first.

Kiev's Set to Open

914A0068B Kiev PRAVDA UKRAINY in Russian
26 Oct 90 p 3

[Interview with Yuriy Viktorovich Selyutin and Aleksandr Andreyevich Chikin, deputy directors of Kiev's commodities exchange, by S. Zakharkevich: "A Place Where Speculation Is...Legal"]

[Text] In Kiev the first commodities market will be opened up. There is as yet only an empty trading floor on the fourth story along Kreshchatika, 50. Here on every Wednesday, beginning at 1800 hours, Valentin Vladimirovich Nikolayev, director of the Kiev Specialized Commodities Exchange, receives those who desire to work together with him. Candidates for future brokers flocked after the city press reported about the registration of the new small enterprise, the commodities exchange. The director is involved in more than enough affairs: rent of the premises, the forming of an exchange committee, and the preparation of standard documents.

So two deputy directors, Yuriy Viktorovich Selyutin and Aleksandr Andreyevich Chikin, agreed to answer the correspondent's questions.

[Correspondent] What will Kiev's first commodities exchange specialize in?

Yu. Selyutin: The building materials trade. Incidentally, we invited all supervisors of construction-industry enterprises of the Ukraine's capital and of other cities to the presentation.

[Correspondent] How does one become a member of the exchange?

A. Chikin: It is necessary primarily to be acquainted with the batch of documents that we have prepared. Having understood what is going on and having determined for oneself the necessity of such a step, you must pay an entry fee, which makes you a full-fledged member of the exchange.

[Correspondent] Tell me, please, the amount of the entry fee.

Yu. Selyutin: It is about 100,000 rubles, the same as at the country's first exchange, in Moscow. A large portion of the fee will be reimbursed in the form of a dividend from the exchange's profit. Moreover, exchange members still should pay membership dues regularly.

[Correspondent] The amount is large. However, small enterprises and cooperatives with modest financial potentials will also want to make use of the exchange's services....

A. Chikin: Those who wish to do so can buy tickets for a one-time admission. The cost of this ticket, which does not give the right to buy and sell, is about 100 rubles, while a work station with a computer for making deals during the exchange hours is priced at about 1,000 rubles.

[Correspondent] What principles will guide the commodities exchange in its activity?

Yu. Selyutin: There is one principle: free trade. As is well known, the share of state orders in the work volume of enterprises is being reduced, and free surpluses will appear. Moreover, many of the enterprises have accumulated uninstalled equipment, quality-nonstandardized products, and various items that are difficult to dispose of. All this should go on free sale. The market will introduce this trade within civilized frameworks.

[Correspondent] Tell me in more detail, what sort of an organization is it—this exchange—which is still odd to us?

A. Chikin: Briefly, it is a large, highly computerized premise where entrepreneurs gather in order to find a partner, to get a notion of the state of the market, and, of course, to find out the latest prices for commodities. Thus, let us suppose, a representative of a small enterprise comes and wants to sell a partner road slabs at the price of 100 rubles per unit. He contracts with a broker, who endeavors to execute a transaction in his name. If the deal is successful, the broker gets the commission previously agreed upon, and the exchange gets a corresponding cut. In essence, this is nothing other than legalized...speculation. Only it is accomplished with the

overall consent and under the strict monitoring of society. For the operations of all exchanges in the world are carried on with the approval of the government's laws. Incidentally, in the U.S., a sale-and-purchase occurs only in accordance with a contract of standardized form, which has been so well developed in detail that it has remained practically unchanged for 130 years!

[Correspondent] Judging by this relationship, the exchange is an important regulator of economic relationships which can become an alternative to the command method of developing the national economy.

Yu. Selyutin: Undoubtedly. And it will yield much greater benefit. If, for example, despite all the efforts of the brokers, a commodity is not sold profitably, the producer will be forced to search for ways to improve its consumer characteristics or to reduce prime production costs. Then rationalizers will not be fired and will begin to take matters in their hands. And it will not be necessary to introduce technical innovations forcibly, as was done not so long. The barometer of the exchange will compel enterprises to think about the future.

[Correspondent] What will be the structure of the Kiev Specialized Commodities Exchange for Building Materials?

A. Chikin: The novice at first will wind up in the operational-information section, where he will be familiarized with the rules and will be supplied with information about current offers and demand and about price dynamics. From this section, the client will be sent either to a broker who specializes in the type of product, or (if he is an active member of the exchange) directly to the exchange floor. Here he will find a salesman—a broker, who performs all buy-and-sell operations. A special quotations board, which the exchange-committee's representatives, brokers and independent experts join, set prices for a product in accordance with a definite methodology at sessions after the exchange day. As for the exchange committee—this is the exchange's brain and supreme authority. It establishes and implements the laws of the exchange's life and determines and analyzes prices and the market's temper. The experts section certifies products and determines their quality, while the auctioning section sells at the client's desire large lots of commodities at auction. There also will be a funds section at the exchange.

[Correspondent] And so, open exchanges are not far off. Do you believe in its future?

Yu. Selyutin: Absolutely. Most of all because the exchange is an open system for everyone. It gives everyone a chance to show his worth. Enterprising people, it stands to reason, will have an advantage.

For the reader's information:

Information about the market's infrastructure was published in the 16 and 28 September and 5, 16 and 21 October issues of PRAVDA UKRAINY.

POLICY, ORGANIZATION

MVD Official on Economic Crime, Speculative Prices

914D0056A Moscow TRUD in Russian 23 Nov 90 p 4

[Interview with V. Runyshkov, chief, USSR Ministry of Internal Affairs Main Administration for Combatting the Embezzlement of Socialist Property and Speculation, by O. Osipov, and article by O. Osipov: "The Shelves Are Bare, Speculators Are Getting Richer, While Prices Are Rising..."]

[Text]

The Shelves Are Bare, Speculators Are Getting Richer

"Where have all of the goods suddenly gone?" This is a question that is encountered increasingly more often in recent letters from readers. Many of the writers are certain that the crisis in the consumer market was orchestrated by the trade system. Do we have information of any reliability on the scale of abuses associated with the clearly visible emptiness of shelves? This is the question with which our interview with V. Runyshkov, chief of the Main Administration for Combatting the Embezzlement of Socialist Property and Speculation, USSR Ministry of Internal Affairs, began.

[Runyshkov] No one has accurate information on this, because with the exception of the laboratory of the All-Union Scientific Research Institute of the USSR Ministry of Internal Affairs, not one scientific institution in our country is making a comprehensive study of the shadow economy.

We can arrive at a certain impression of the scope of various sorts of abuses in the trade system from our operational data. Thus, 9,736 persons were caught engaging in speculation of large and especially large proportions in 10 months of this year—one and a half times more than in the same period of last year. The number of persons convicted of illegal sale of goods has almost doubled. This year 116,799 persons were arrested for petty speculation, as compared to 89,888 citizens in the corresponding period of last year—that is, growth is evident here as well. In 10 months of last year, 55,705 persons were caught hoarding goods, while 74,495 persons were caught this year. And here is one other figure: A total of 30,244,000 rubles' worth of articles intended for resale and material valuables were confiscated—almost twice more than last year.

[Osipov] One can imagine the scale of what is below the tip of this iceberg. Is it true that the rate of growth of abuses remains unchanged this year as well?

[Runyshkov] Yes, the growth is noticeable.

[Osipov] In the meantime a number of republics have adopted ukases raising liability for abuses in trade and for speculation. Does this mean that these measures have given us nothing?

[Runyshkov] Growth of violations is closely associated with growth of stress in the consumer market, with inflation, and with the fact that demand is significantly outstripping supply, while the state has nothing to offer in exchange for rubles. And of course, it would be naive to suppose that we would be successful in putting an end to the hoarding of goods or speculation by so-called repressive measures alone. However, from my point of view it would be reasonable to attempt to protect the consumer at least by legal means: The state has nothing else to offer for the moment, you see.

Another conclusion that could be made is this: Negative processes will intensify until such time that people are provided with at least a minimum assortment of goods. Currently the demand is being satisfied by only two percent in relation to a little over a thousand different goods.

[Osipov] Standardized distribution is now being introduced into the country—using ration cards, coupons and so on. But unfortunately things are not getting any easier for us consumers: the same old lines, the same interruptions in supply, and the same old speculators, exploiting us as hard as ever. Moreover they are now enjoying new possibilities for making a fast ruble.

[Runyshkov] Let me note that we are already encountering large numbers of cases where ration cards or coupons are being forged. In my opinion introduction of a standardized system of goods distribution will not produce the desired results unless we also have a total system of control—starting with issue of the ration cards and ending with their redemption.

[Osipov] In your estimation as a professional, would it be possible to create such a system of control?

[Runyshkov] It would be extremely difficult.

[Osipov] Still, who is checking the number of ration cards and coupons issued against the number redeemed, and do the figures match up?

[Runyshkov] The local soviets, or at their direction, special organs and commissions must exercise the control. Joint measures also exist in our inspection plan. In nine months of this year we have inspected around 270,000 trade enterprises together with committees for people's control and other monitoring organizations.

[Osipov] And so, what came of it?

[Runyshkov] Violations of trade regulations—overcharging, concealment of goods from customers, and trading from subsidiary buildings and warehouses—were revealed in practically one out of every two enterprises. Just the hidden scarce goods that were discovered are worth a total of 43,946,000 rubles. In the meantime around 60 percent of salesclerks feel that deceiving the customer is a natural thing.

[Osipov] One last thing. Vyacheslav Ignatyevich. Contract (free) prices are being set on a number of goods

since not too long ago by a decision of the USSR Council of Ministers. Will this measure help the fight against speculation in your point of view?

[Runyshkov] Given the enormous demand for and the shortage of goods experiencing increases in prices, the amount of speculation will hardly decrease, and we could hardly expect serious changes to occur in the conditions of the black market.

While Prices Are Rising...

Perhaps the fight against speculation is not being waged all that successfully in our country, and perhaps even the "emergency" ukases and decrees are not doing much to help, but it seems as if we have at least begun a serious study of this phenomenon. Thus the RSFSR State Statistical Committee organized a survey of black market prices in September in 71 republic, kray and oblast centers. And it provided the editor's office with an interesting table that eloquently supplements the interview with the director of the Main Administration for Combatting the Embezzlement of Socialist Property and Speculation of the USSR Ministry of Internal Affairs:

	Each, Rubles, Black Market Prices (RSFSR Average)	Amount Black Market Prices Exceed State Retail Prices
Meat	9	By 4.0 times
Sausages	19	By 3.0 times
Coffee (one can)	15	By 2.5 times
Black caviar (one can)	21	By 4.0 times
Chocolates (one box)	20	By 3.7 times
Vodka (0.5 liters)	24	By 2.4 times
Coat, winter, woman's	1,236	By 2.4 times
Coat, winter, man's	929	By 2.6 times
Raincoat, woman's	516	By 2.8 times
Raincoat, man's	637	By 3.0 times
Bed linen (one set)	111	By 3.0 times
Shoes, men's, winter	293	By 4.0 times
Boots, women's, winter	470	By 3.7 times
Shoes, women's	244	By 3.7 times

Certainly a depressing picture. But it wouldn't be complete without saying something about regional price differences. The statistics assert for example that the black market price of smoked sausage varies from 25 rubles per kilogram in Saratov to 40 rubles in Murmansk and Tula; that of instant coffee varies from 10 rubles a can in Petrozavodsk, Makhachkala, Perm and Blagoveshchensk to 30 rubles in Novosibirsk and Magadan. People who like to drink have it especially bad in Yuzhno-Sakhalinsk and Yakutsk, where half a liter of

vodka goes for 50 rubles. On the other hand a bottle can be bought for 40 rubles in Bryansk, Kurk, Volgograd and Stavropol.

The situation is also the same with industrial goods. In Bryansk, an imported spring-fall woman's coat may be purchased for 600 rubles, while in Tula you would be asked for 300 more. Residents of Ivanov and Voronezh wishing to buy a refrigerator can do so, and it would make sense for them to take a trip to Volgograd, where it would cost 620 rubles—from speculators, of course, as opposed to a thousand and a half. Nor have the residents of Voronezh had any luck with irons—where they live, merchants are ready to take them for 120 rubles, while in Kuybyshev an iron could be had for 15. A Volga passenger car sells for 40,000 in Tver, and up to 120,000 rubles in Kuybyshev, Omsk and Yakutsk.

And finally, the black market in Moscow, where people go for goods from all corners of the Soviet Union by tradition. Perhaps some might save themselves the cost of the trip when they learn that a can of black caviar costs 35 rubles in the capital, a kilogram of chocolates costs 25, a bottle of wine (not necessarily good) goes for 10, a winter woman's coat (Austrian-made) may be acquired by laying down 1,200 rubles, a man's Chinese coat costs 450, women's winter boots (also Austrian-made) cost 600, a Japanese video tape recorder costs 6,500, a color television set costs a thousand and a half, a Zhiguli passenger car averages 37,000, and you would be asked to pay 30 rubles for a package of a drug such as cerebrolysin.

RSFSR MVD Chief on Economic Crime Extent

914D0056B Moscow PRAVDA in Russian 22 Nov 90
First Edition p 3

[Interview with Colonel of Militia V. Bulgakov, chief, Main Administration for Combatting the Embezzlement of Socialist Property and Speculation of the RSFSR Ministry of Internal Affairs, by T. Lisitsina: "The Economy and the Militia"]

[Text] It seems that even the most patient are no longer able to endure. Where could it possibly go from here? Ten eggs cost 10-15 and a kilogram of beef costs 20-25 rubles in the Moscow market.

We must hold out in these critical times. But how! Where is it, that light of salvation, however weak it might be, at the end of the tunnel? The average statistical citizen is losing his trust in the institutions of government power. "It is in the hands of the mafia!" "The shadow economy is holding the steering wheel"—such assertions are being sounded ever louder, ever more insistently. It was with this that we began our talk with Colonel of Militia V. Bulgakov, chief of the Main Administration for Combatting the Embezzlement of Socialist Property and Speculation of the RSFSR Ministry of Internal Affairs.

[Lisitsina] Everything has become scarce. It is by far easier to list the things that are not yet in this category.

And just try to persuade the reader that these are the unfortunate costs of perestroika, that our "temporary difficulties" have "fully objective causes."

[Bulgakov] I would never accept such an absurd role. When, for example, as many as 20 out of 24 tobacco factories in our republic are not working, it would take some talent to come up with "objective" causes for such a scandalous fact.

[Lisitsina] Does that mean that what they are saying is true?

[Bulgakov] Let's take a look at things soberly. We know that the criminal world is consolidating, and that dealers in the shadow economy are not being stingy in bribing the "necessary" people in the state apparatus. Corruption, bribery and parasitism upon the shortcomings in the transitional structures of the society's life not only exist but are flourishing in radiant colors. It would be somewhat inconsiderate, though, to ascribe excessive might to organized crime. Yes, it is no secret that corrupted elements are fighting for power, but wishes and reality are not always the same thing.

I am not going to discount the fact that the old, comfortable structures of the national economy's administration are no longer functioning. And the new ones have not yet been created. Therein lies the misfortune. To begin with there was that same infamous tobacco boom that I mentioned earlier—a model of Russian "planning." But then there are also facts such as these. The cigarette shortfall in the RSFSR was 45 million rubles as of late August. Moreover the republic trade ministry predicted a shortfall of imported cigarettes of 140 million rubles and of cigarettes from other union republics of 112 million rubles by the end of the year. This is despite the fact that the republic plan for producing tobacco products is lower than last year's as it is. So what is it that we want? And what about the "unprecedented harvest" that has now befallen us?

[Lisitsina] The potato boom has perhaps surpassed even the tobacco boom. The people were scared so much by the forthcoming winter famine that thousands of citizens, unable to wait for the gifts of nature, themselves spontaneously attacked the kolkhoz and sovkhoz fields, digging out and taking away whatever they could.

[Bulgakov] Do you know what I would like to say? Paradoxical as this might seem today, we still suffer an acute shortage of glasnost. There is more than enough twaddle—excuse my coarseness—in regard to all matters, as is also true of all kinds of unimaginable rumors. But truthful, reliable information happens to be another one of our scarce goods. Sometimes people behave as if the Soviet government no longer exists at all.

The economy of Russia, and of the entire country, is experiencing its most acute crisis. The losses inflicted upon the state by various self-interested crimes, speculation and bribery total hundreds of millions of rubles. Imagine how much the responsibility of our colleagues

increases under such conditions. I think that the service for combatting economic crime is entitled to much more attention from the press.

[Lisitsina] What is this, Vladimir Nikitovich, the new name of your service?

[Bulgakov] Yes, while the matter of the name change has already been resolved, for the moment we are still the Main Administration for Combatting the Embezzlement of Socialist Property and Speculation. But this is not at all an attempt to be in fashion—it is a requirement of life. Cooperative ownership has already existed several years side by side with state ownership, and it will not be long before we see the birth of other forms of ownership, including private ownership. The logical course of events makes the former name of this service—for combatting the embezzlement of socialist property—fundamentally incorrect. But the name is not what is important. The content of all of our work is changing significantly.

The transition to a market economy will be accompanied by changes in the structure of economic crime. Social psychology and the motivations for committing economic crimes will become different in many ways. Look around you, and you will all see that an orientation on getting rich anyway you can, envy of those who are more fortunate and justification of criminal acts as compensation for unsatisfactory social justice are already spreading through broad strata of the society.

[Lisitsina] This is understandable. The new economic relations will compel you to work in a new way as well. But will the main direction of your activity remain the same?

[Bulgakov] Fighting crime and abuses in the economy and in management of the national economic complex is still the goal of the service. However the accent of our activity is being shifted to promoting, within the limits of its competency of course, successful realization of citizens' rights to ownership and economic activity, the freedom of consumer choice, and fair prices. We will defend the interests of the state simultaneously in the guise of specific enterprises, institutions and organizations. We will begin preventing and revealing crime in both the market and nonmarket sectors of the economy.

[Lisitsina] Everything we have talked about reflects the position in the country as a whole. But might the Russian militia also have its own problems associated with the unique features of this republic?

[Bulgakov] Of course. Russia is a place of huge deposits of minerals, gold, oil and gas. That is one unique feature. On the other hand, it is an enormous market for articles of light industry from the Baltic states, and vegetables, fruits and illegally produced wine and liquor products from Central Asia and the Transcaucasus. Entire carloads of tea from Georgia are being sold on the basis of forged documents. Some regions of the republic have declared themselves to be free economic zones.

It would be pertinent to recall that the Russian Ministry of Internal Affairs is not even a year old yet. For many years no one has seriously dealt with the problems of Russian crime in general. Directors of, for example, the Ryazan, or Sakhalinsk, or Irkutsk militia have been put on the carpet and ordered to explain themselves, but peaceably only. Ties between the oblasts have been weak. What this has led to, I can show with an example.

Fish industry is the most developed sector of the Far Eastern region. The annual fish catch exceeds 3.5 million tons, which is half the unionwide catch (up to 80 percent of the caviar and salmon, 100 percent of the crab). Just food industry alone produces 3 billion rubles' worth of goods annually. Further development of the sector and growth of the fish catch to 5.3 million tons have been foreseen. International cooperation and production of products for export are widening.

And now some other figures. Accounting and control were organized extremely unsatisfactorily in the Dalryba Association. Losses due to mismanagement, shortfalls and embezzlement were over 50 million rubles just last year. Cases of using contraband channels, of sending unaccounted-for products abroad, of signing contracts economically disadvantageous to the republic, and of criminal deals based on bartered deliveries have been revealed. Thus, an inspection of vessels belonging to the Kamchatrybprom and Vostokrybkholydflot production associations, which supply pollock abroad, revealed dozens of tons of surplus fish and roe. Unlicensed export of Kamchatka crab out of the country has been revealed, for example.

[Lisitsina] It is good to know that a turnaround was recently made in support to law enforcement organs, that good decrees have been adopted.

[Bulgakov] Yes, the decrees are good, but who is monitoring their fulfillment? Many good intentions remain on paper. It's a paradox, isn't it? Economic crime is growing from one year to the next, while the service for combating the embezzlement of socialist property and speculation is being reduced slowly but surely. In the meantime the volume of its work has risen immeasurably. The consequences of this sort of "wise" personnel policy, pursued by certain ministries and administrations of internal affairs, are obvious: overtime work, working in jobs outside of one's specialty, dissatisfaction with work results, and constant nervous stress. All of this creates a situation where colleagues seek other work and are dismissed from internal affairs organs. As of now the manning shortage republic-wide is in the hundreds of persons. Moreover we continue to perform dozens of functions atypical of us. Wherever you look, for example, we are usurping workers' control at enterprises, and departmental control in trade. Sometimes sales-clerks get angry because we torment them so by our inspections! But what can you expect, when instead of the comradely observance of principles that they like to talk so much about, everyone covers up for everyone else?

Our hope is that with the creation of local, so-called municipal militia, we will finally free ourselves of functions associated with administrative transgressions.

[Lisitsina] In the meantime the situation in the consumer market continues to grow worse.

[Bulgakov] And economic crime is growing as well. In 10 months, 129,000 such crimes were revealed in the RSFSR. Thefts from national economic facilities have increased by 10 percent. They are often accompanied by more dangerous crimes. During a burglary in Pskov the warehouse of Rostorgodezhda suffered fire damage. The criminals were identified and arrested, but the damages totaled over 300,000 rubles. Embezzlements of especially large proportions, committed with the participation of executives, were revealed at the meat packing plants in Saransk and Kursk. Money and valuables worth over 800,000 rubles were confiscated during a search of the criminals. A criminal group consisting of officials and driver-agents of a bakery was identified in the Udmurt ASSR. This group conspired with trade workers to pilfer and sell bakery articles, sugar and yeast through stores. Similar cases were revealed in the Chechen-Ingush ASSR and in Sverdlovsk, Tula, Tver and a number of other oblasts. A total of over a thousand cases of embezzlement were revealed at food industry enterprises.

The picture is not any brighter in trade. In just one month, 3,200 cases of concealment of goods from free sale were established. Goods and food worth a total of 2,350,000 rubles were discovered to be concealed from sale in the industrial and food bases of Omsk. Violations were discovered in one out of every two trade enterprises inspected in Sverdlovsk Oblast! And in Kuybyshev Oblast, store workers bought up meat products intended for invalids and participants of the Great Patriotic War and sold them at inflated prices through cooperatives.

I am not going to tax you with figures any longer. But tell me this: What do you do about a situation such as this? The Kemerovo City Soviet of People's Deputies established higher liability for speculation in locally produced tobacco articles. But at the same time private persons were officially permitted to sell cigarettes brought in from other regions at the market price. Need I say more?

[Lisitsina] A very alarming trend. May God preserve us now, in our time of trial, from falling apart into minor principalities. You would think that the bitter history of our ancestors had taught us something.

[Bulgakov] Then there's also that fabulous tradition of the Russian people: Solidarity in the face of misfortune. Have we forgotten that? It's time for us to finally come together and clean up the great mess we've made of our common home. And with the people's support, the militia will have enough of both experience and resolve to do its work with honor and merit.

MVD Highlights Harm Done by Speculators

914D0068A Moscow *EKONOMIKA I ZHIZN'*
in Russian No 43, Oct 90 p 13

[Article by A. Krylov, docent, Academy of the USSR MVD, and T. Perova, associate, Economics Institute of the USSR Academy of Sciences: "The Speculator's Hand in Our Pocket"]

[Text] According to data of the USSR MVD [Ministry of Internal Affairs], in 9 months of this year 42,395 cases of criminally punishable speculation were revealed in the country, which is 17.1 percent more than in the same period of last year.

Cultural and Personal Factors of Scarce Goods

Our country has practically no period in its history in which there wasn't at least some kind of shortage, and consequently, speculation in regard to this shortage. Speculation has especially flourished in periods of crisis—during major accidents, natural disasters and so on. At such moments it has been complicated by pillage, by barbaric squandering and purchase of expensive articles at cut-rate prices for subsequent resale. There are terrible examples from the times of the civil and patriotic wars, but the examples of pillage and of speculation flourishing on its basis after the Chernobyl accident and the earthquake in Armenia are no less terrifying. When motor vehicles abandoned in the contaminated zone were dismantled for spare parts, which were then sold at black markets in different regions of the country. When clothing intended for earthquake victims was sold by speculators at markets in Moscow and other cities. And today, such reports from the criminal chronicle are appearing with increasing frequency in the press. The revelry of speculation is alarming the public.

Social stratification not only by income but also by availability and possession of scarce goods recently became clearly evident in our society, and it is growing. Barter of scarce goods is displacing their purchase and sale to an increasingly greater extent. Black market businessmen are seeking new, universal trading equivalents—gold, diamonds, hard currency, motor vehicles. And how could things be otherwise under the conditions of inflation and a nonconvertible ruble, when, as a certain satirist put it, "The more your face shows you need for your ruble, the less you'll get?"

Goods for the Speculator

To understand the mechanism of speculation, it is important to clearly perceive the structure of goods in our speculative market. They can be "graded," we believe, in relation to the following characteristics:

Convenience to speculation. Goods that are small in size, packaged in small quantities in beautiful and bright packaging, and which are inexpensive, are easier to transport, hide, display and sell. Such goods included, in different years depending on region, ballpoint pens,

chewing gum, cigarettes, electronic wristwatches and cosmetics. Clothing, footwear, imported goods and delicatessen products have fallen into this group in recent years. The shabbiness of our internal market and the low quality of the goods have created a situation where any fancy goods and foods that are made "over there," or here but beautifully packaged, may become objects of speculation.

Prestige of possession. Goods outwardly prestigious, the "banners" of a person's position and place in society, are implied. The assortment of such goods varies in different social groups. Among the young, these are usually articles of clothing—baggy pants ["varenki"], cross-country shoes, mopeds, motorcycles and electronic goods. For middle-aged people, certain expensive consumer goods are more prestigious—jewelry articles, motor vehicles, video systems, computers. The concept of prestige also embraces services. It is prestigious to go to a sauna, to certain theaters, to concerts featuring major stars, and to particular exhibitions. Finally, the concept of prestige may move from the sphere of consumption into the sphere of production, where it is prestigious to work in a particular organization.

Among people of elderly age, the possibility for obtaining treatment from a certain renowned specialist or for vacationing in a corresponding sanatorium becomes prestigious. The accomplishments of children, the size of a pension, one's title, privileges and so on may be elements of prestige. And all of these may be, and in fact are, objects of speculation.

The next group consists of goods determining one's standard of living. Apartment, furniture, a number of household electric appliances, a standard assortment of clothing, food. According to calculations of the USSR Goskomstat [State Committee for Statistics], the income speculators receive from the resale of just industrial goods is more than one billion rubles per year.

"Dual" use goods, which are not only sold to the public through trade organizations but are also widely employed in production, should be isolated as a separate item. They are bought up from plunderers and resold to the public at retail or even reduced prices. For example, automotive gasoline, drugs, construction materials. It is estimated that income from illegal operations involving just gasoline total over two billion rubles per year. Large lots of medicines are obtained from medical institutions or pharmacies and resold at retail with a 20-100-fold mark-up.

Speculators are also "attracted" by goods that are characterized by regional shortages. In 80 percent of all cases of speculation, goods are bought up in one region and resold in another. Moscow and a number of other major cities in the country have long been places of mass pilgrimage by speculators. Each year dozens of trucks loaded with large consignments of "unsalable" foods and industrial products are caught leaving Moscow. Large are the unaccounted-for northward flows of goods from

the country's south—vegetables, fruits, flowers, and southward flows from the north—construction materials, industrial goods.

And finally, the last group—**goods acquired by poaching.** In particular, black caviar and fish of both select and ordinary types acquired illegally in the Caspian region. Just in 1986-1988 the Caspian Internal Affairs Administration of the USSR MVD confiscated over 15 tons of black caviar and around 160 tons of select and ordinary fish from poachers and resellers. Nonetheless, unaccounted-for caviar and fish "surface" constantly in many regions of the country. According to evaluations by experts, approximately a third of the population in the Caspian region has a relationship to poaching in one degree or another. A poacher with established ties "earns" up to 15,000-20,000 rubles in a season. Illegally acquired caviar is sold by wholesale speculators at a price of 30-60 rubles per kilogram (as compared to a state retail price of 45 rubles), and shipped to other regions of the country. The subsequent path of the caviar is hard to trace. But most of it winds up in the trade or public food services system. It is especially "profitable" to package this caviar in standard tins and sell it at speculative prices four to five times higher than state prices. Speculators often sell such caviar packaged in standard tins to foreign citizens, who pay up to \$20 for a 100-gram tin. Thus our speculators are also making inroads into the world market.

Different sorts of speculative relationships also arise on the basis of illegal timber procurement. It is hard to estimate the scale of such activity, but photographs taken from space indicate major violations in forestry. Logged areas not shown on forest management maps are clearly evident on satellite photographs. Even in Moscow Oblast, where all logging is prohibited, there are several dozen such traces.

When compared with the results of land measurements, space photographs show that in the Uzbek SSR, for example, the actual land possessed by many farms is 20-40 percent more than what is reported. The unaccounted-for land parcels are also used either to conceal mismanagement or to obtain unaccounted-for products that serve as an object of speculation.

The Sources of Gain

Trade is one of the principal channels from which speculators acquire their goods. Control organs inspected more than 223,000 trade organizations in 1989. They found that violations occur in one out of every three stores. Goods worth 34 million rubles were concealed from customers, and over four million rubles' worth of unaccounted-for products were discovered. Scarce goods worth 22 million rubles were concealed from customers in 1989 just in Moscow stores alone. According to data of the USSR General Procurator, in the last few years over 2,000 executives who created a special system of protection from exposure with the assistance of certain law enforcement workers and highly

placed patrons, making it possible for them to accumulate wealth over a period of many years, were punished within Moscow's main trade organization. In the country as a whole, over 70,000 trade workers received administrative and criminal punishment in 1989 for different violations of trade rules, which is twice more than in the preceding year. According to estimates of the VNI [All-Union Scientific Research Institute] of the USSR MVD, each year the total profit just from deceiving customers attains six billion rubles.

Traveling trade and the system for distributing goods on the basis of orders have become a rich source for speculation. The objects of speculation are beginning to include not only goods but also assignment of a specific enterprise or organization to a particular prestigious store, allocation of a greater or lesser quantity of orders, and so on. Here are just a few examples discovered by the inspection office of workers' control of the Moscow City Trade Union Council in late 1988 and early 1989. Workers of the Uzbekistan Restaurant were allocated 30 orders on a certain holiday, while the collective of the Moselektromontazh No 1 Trust was given only 25. The Moskvoretitskiy Rayon health department was allocated four orders per associate, while at the Plant imeni Vladimir Ilich Lenin there was only one order for every 10 workers. In Cheremushkinskiy Rayon, workers of the court, the procuracy and the rayon internal affairs administration were provided with holiday orders practically completely, while the collectives of children's day care centers, secondary schools and vocational-technical schools were only a third satisfied. It is not difficult to note that redistribution favors the "needed" people here.

Analysis also shows that 70 percent of the speculation volume consists of goods imported from abroad. A significant share of these goods are supposedly in transit through our country. Just during one steamship cruise from Turkey in 1989, Polish tourists imported around 100,000 pairs of jeans, 700,000 cosmetic kits, 500,000 meters of fabric, 500,000 electronic watches and four tons of chewing gum into our country duty-free—a total of around 50 million rubles in black market prices. A significant share of these goods never reached Poland—instead, they were sold in our country in avoidance of official trade channels. The volume of this commodity turnover is fully commensurate with the indicators of major state trade firms. Just in Lvov Oblast Polish citizens resell goods worth almost one billion rubles. Objects for speculation can be found today in practically any part of the system of public services.

What is to be done?—that is the question.

93 Out of 100 at Liberty

The system of measures to fight speculation can be divided conditionally into three groups: economic, social and legal. Considering the significant inertia of economic methods in comparison with administrative, the unique features of the situation that has evolved in the

country, the extreme sharpness of the criminal manifestations of acts of speculation, and the anger of the "hungry" consumer frustrated by endless lines, we should obviously begin with organizational and legal solutions.

The fact is that the traditional practice of dealing with speculation (it evolved on the basis of the 1961 Criminal Code) is such that out of every hundred registered cases of speculation, 50 criminal cases have not been brought to trial because they were weak, 30 were dropped for the same reason by investigatory organs, and only 20 went to court. And then in court, approximately 7.7 percent of participants of crimes in these criminal cases were sentenced to prison. Therefore in our fight against speculation we must intensify administrative and economic sanctions and simplify the means of their realization, while criminal proceedings should be instituted only in special cases.

Understandably, legal measures alone cannot completely solve the problem of speculation. We obviously need to rewrite the law in such a way that not only the private citizen but also representatives of various organizations who often engage in speculation under the cover of an enterprise's interests could be recognized as subjects of speculation. In the legal aspect, we also need to resolve the matter of speculation when purchases are made abroad.

In the social aspect, first of all we need to surmount the society's negative attitude toward entrepreneurial activity, but we must also develop a revulsion for speculation in its true definition in any sphere of public life. The economic measures of combatting speculation are well known. They include surmounting the shortage of goods and developing market relations, boldly developing commercial trade and advertising, and subjecting these processes to proper state regulation.

Trade Speculation, Black Market Problems Noted

Physical Abuse of Employees

904F0264A Moscow IZVESTIYA in Russian 27 Sep 90
Morning p 3

[Article by Yu. Kiryukhin, chairman of the central committee of the trade union for workers of trade, public catering and consumer cooperatives of the RSFSR: "The Market Is Stores Without Shortages and Lines"]

[Text] Strikes by trade workers have not yet become habitual here but I fear that things are moving in that direction. The conflict between the buyer irritated by the shortage of everything needed and exhausted by lines and the sales person sometimes reaches the point of direct combat.

In Vologda, for example, 29 trade workers suffered bodily harm at their workplace in the last four months.

In the Irkutsk Trade Complex, a crowd broke window panes, tore apart counters and insulted and searched sales persons.

In a number of stores in the Khabarovsk trading center "Odezhda" during a clearance sale of goods, an angry crowd tore down barriers and broke store windows and doors.

It is sometimes worse. In Moscow, in carrying out the requirements of the Moscow Council on the standard for the release of products to individuals, an inspector of the self-service department store No 68 "Dieta" was subjected to insults and then beaten. In Tula Oblast, the 23-year-old sales person Natalya Meshkova paid with her life for refusing to sell vodka after hours....

Although we renounce the administrative-command system, we are continuing to live by its concepts. The myth about "petty dealers" and a "trade mafia" that supposedly created the shortages on purpose and warms its hands on them is firmly established in the mass consciousness. There are abuses in trade, of course (although, according to the information of the Ministry of Internal Affairs, the branch with all of its temptations is far from the lead in the number of mercenary crimes), but is this really the reason for our troubles? After all, only what is produced can be sold. Without being able to establish effective incentives for an increase in the production of consumer goods, we, under the principle of "who is closest," take out our anger on the person behind the counter, although in no way can he bear responsibility for the overall shortages.

In spite of prevailing notions, I will assert that the real tragedy in the trade profession is to stand by empty shelves or to trade under the extreme conditions described above. Meanwhile, the ordinary workers of the branch with whom we deal every day—sales people, cooks and cashiers—are members of the same working class. They have to be on their feet all day, lug sacks, roll barrels weighing 70 kg or more and stand by stoves and cupboards. And they must thereby experience a feeling of inferiority in everything: from their working conditions to the lack of children's preschool institutions, housing, pioneer camps and recreation centers. And their wages are almost one-third below the average level in the national economy....

No, it is by no means a matter of setting up police posts by the stores. Our salvation lies elsewhere: in finally giving trade the opportunity to perform its inherent function of the natural regulation of the market. For precisely trade is able through freely established prices to put our "upside-down" economy back on its feet and to subordinate the interests of the producer to the interests of the consumer. Precisely the market will not only fill the store counters with goods but will also establish the conditions under which it is not necessary to use deception. Why hide what it is more advantageous to sell? Why cheat someone if it is possible to obtain more by

working professionally with intelligence and energy? And why steal from yourself?

The State Commission on Economic Reform of the USSR Council of Ministers has already prepared recommendations to local soviets on the transfer of state trade enterprises to collective and private ownership. It is proposed that initially the stores, dining rooms and cafes will be leased to the labor collectives now working and then they will be given the right to buy back the property with the receipts being transferred to the local budget. The individual purchaser of small stores, stalls, kiosks and cafes must obtain a license from the local soviet giving the right to such a purchase. The merchant becomes an important operator in radical economic reform. Success depends upon how civilized he is. It is also necessary, however, for the state to become civilized in relation to him.

It may be doubted that the market will provide a powerful stimulus to the development of trade. In the structure of the national economy today, the share of workers in this branch is half of that in the developed European countries and we have one-seventh to one-fourth as much trade space per thousand inhabitants. The bureaucratic system had determined an at best modest wage for the trade worker and essentially denied his right to social development. We must finally understand that without developed trade it is inconceivable to have real progress on the way to economic and social reforms. Trade is an integral and decisive element of the market.

The basic rules of trade, the mechanism for its taxation and the principles for the regulation of the managerial, financial-economic and legal activities of the branch are now in the process of development. A Law on Trade must be passed. The main thing thereby is to discard the myth that has been elevated to the rank of the state policy of all the foregoing years of the necessity and benefit of rigid and total control over it.

The market is a self-regulating system. It works without any push from outside. Tax and sanitary inspectorates are needed, of course, and possibly a state trade inspectorate is also needed. When a mafia and racketeering are truly involved, then it is a matter for law enforcement agencies. It would be good if consumer societies would also work more energetically, creating anti-advertising for poor goods and services.

But all of this is a fundamentally different control that has nothing to do with the current system. Ask any store worker: every day there are two or three checks, which are becoming more and more reminiscent of actions to capture terrorists. Departmental, nondepartmental and public control is performed by 32 different organizations plus almost 2 million inspectors, who spend their working time to the detriment of the production of goods. Soviet authorities and representatives of industrial production themselves are now designating the

lucky possessors of the shortages and are introducing coupons, rationing cards and calling cards....

The culmination of such a policy was the ukase of the Presidium of the RSFSR Supreme Soviet "On a Strengthening of Responsibility for Abuse in Trade and Speculation" passed by its previous body on 27 February 1990. We will compare this legislative act only with the decree of the Council of People's Commissars in 1937 "On Measures to Eradicate the Consequences and to Prevent Sabotage in Trade." For the punishment for the concealment of commodities, even if no personal self-interest is ascertained, is now 10 years imprisonment—just as for murder!

Meanwhile, not a single civilized state has any such category of crimes, for no one there would think of hiding a commodity from a buyer. Is it possible that this is why there are no shortages in developed countries and enterprise is an honorable and respected occupation there? And has not the ineffectiveness of repressive measures to eradicate "speculators" and "pilferers" been proven by the many years of experience in our country?

It can be said conclusively that total control and a tightening of repression will not lead to abundance. In 1989, the entire controlling bureaucracy revealed goods hidden from free sale and improperly sold to speculators and cooperative members in the amount of just 0.03 percent of the annual commodity turnover. Is it not time to stop this machine or to put its energy into something really useful?

It is necessary, in the first place, to abolish worker control. Under the conditions of the market, its functions in verifying the correctness of the distribution of commodity resources, allocations, the system for the sale of commodities, their coverage, etc. are becoming unnecessary. It is time to recognize publicly that worker control is a product of the administrative-command system that brings some working people into conflict with others and violates the principle of equality of all members of the trade union. A "witch hunt" harms the society itself, not to mention the fact that worker control is often incompetent and not free of self interest.

In the second place, the mentioned legislative act should be abolished immediately because it contradicts the principles of market relations, restricts the democratization of the economy and complicates the privatization of trade.

In China, they say: "A person without a smile on his face should not open up a store." So to begin less us at least learn to understand each other. This is the guarantee that our buyers and sellers will finally be happy to see each other.

Black Market Operations

904F0264B Moscow IZVESTIYA in Russian 27 Sep 90
Morning p 6

[Interview with Vasilii Trushin, deputy minister of internal affairs of the USSR, by V. Reshetnikov: "Money, Thieves and Detectives"]

[Text] Today many are convinced that under the conditions of absolute shortages a strong police detachment must accompany commodities all the way from the producer to the consumer. Otherwise, they say, they will not reach the consumer but will be stolen and then resold at exorbitant prices. Can the police resist speculators? The IZVESTIYA correspondent talks about this with Deputy Minister of Internal Affairs of the USSR, Vasilii Trushin.

[Reshetnikov] Vasilii Petrovich, they are saying that the police are already winking at speculation....

[Trushin] They have no reason to say that. This year the internal affairs agencies have brought to account more than 185,000 people, almost twice as many as in the corresponding period of last year. They have confiscated items for resale amounting to 27.5 million rubles, more than last year by a factor of 2.3. We have checked about 160,000 trade enterprises and found 30 million rubles' worth of industrial commodities and 11 million rubles' worth of food concealed from free sale. We have stopped 1,500 cases of the wholesale marketing of commodities to speculators and illegal release to cooperatives....

[Reshetnikov] The public is becoming more and more convinced that the empty store counters are the work of a mafia that buys up goods and dumps them in the "black market."

[Trushin] Organized crime is indeed becoming a major problem. Its influence on the consumer market is undisputed. We have recently eliminated 56 criminal groups that had "their own" people in different departments.

[Reshetnikov] It is interesting to know how it is possible to combat mafia groups in the absence of a law on the fight against organized crime?

[Trushin] This is how we fight them: we render a group harmless and then we search for different articles of the Criminal Code for its members. The result, as a rule, is that the organizers come off clear. To be frank, I simply envy the American police, which can rely on well-defined legal enactments in the fight against racketeering and corruption.

Here is a graphic example from our practice. The managers of one commercial center falsified a check for 102 million rubles. They transferred 96 million of the money received to Poland and put it into the commercial turnover.... Our Criminal Code provides for the same degree of liability for this action as it does for the falsification of a driver's license.

We know of tens of cases of the smuggling of millions of rubles abroad, mostly to the countries of Eastern Europe, where branches of joint enterprises have been established. The sphere of their activity is the export from the USSR of raw materials purchased at dumping prices and the delivery to the USSR of obsolete Western commodities also purchased cheaply. Today Western markets are saturated with Soviet caviar and antiques taken out of our country. In our stores trading for foreign exchange, we have ascertained cases of the purchase of goods with credit cards stolen in the West. For the conclusion of subsequent deals, securities with a nominal value of hundreds of millions of rubles not covered with bank assets are foisted off on foreigners. One such operation, in which the sum of one billion rubles appeared, was stopped by the internal affairs agencies at the end of last year. We have registered trips of authorities of the criminal world abroad to establish contacts with their "colleagues." I think that obviously the time has already come to pass a law on the fight against organized crime.

[Reshetnikov] And if this law is passed, will goods shower down on us as from a cornucopia?

[Trushin] No, this will make it possible to fight effectively against crimes in the economic sphere. It will not have much effect on the content of the store counters.

[Reshetnikov] So the mafia is not to blame for the fact that today the stores are empty as never before?

[Trushin] Not the mafia. I understand, of course, that rumors do not arise in a vacuum. But very often some single fact serves as the basis for different kinds of rumors. Thus, we established that there is no basis for the rumor that criminal groups organized a "blockade" of Moscow and Leningrad and are buying up agricultural products in the approaches to the cities to raise prices in the markets. Also unfounded were rumors to the effect that someone was stopping a part of the refrigerator cars coming to Leningrad from different regions of the country in adjacent regions and turning them back.

I will note that at times representatives of ministries justify their own intradepartmental confusion or economic miscalculations through the actions of "shady forces."

In Vladimir Oblast, for example, the accompanying documents for imported goods in the amount of six million rubles were lost. Internal affairs agencies got involved in the search and found them in Moscow at wholesale bases of Rosgalantereytorg and Rostorgodezhdy [dry goods and clothing trade, respectively]. The reason for the shortage of motor vehicles is not the actions of a "mafia" but the fact that their production here has stabilized at the level of 1975. Another example is that of the shortage of medicines. It is being exacerbated, in particular, by senseless purchases abroad. The USSR Ministry of the Medical Industry purchased imported compounds for 500 million rubles this year alone. Most of them are finding no practical application. And that is literally how it is for everything.

Here are some statistical data: as of 1 August of this year, only 20 of 1,094 kinds of goods issued in our country were continuously for sale. So who is creating the conditions for the spread of speculation? In my view, monopoly ministries and organized groups of second-hand dealers are living rather well today in a sea of various shortages, the main one of which is the shortage of laws that would protect the society against them.

Combatting Speculation

904F0264C Moscow PRAVDA in Russian 27 Sep 90
First Edition p 2

[Interview with Vladislav Shapovalenko by M. Gurtovoy: "Careful: 'Wolf Traps' in the Transition"]

[Text] During a large part of his long life, Vladislav Aleksandrovich dealt with a narrow speciality—the investigation of oil and gas wells. He was brought to the crest of public life in 1988, when in Orenburg they decided to build still another harmful production system. A native of Orenburg, he could not contain himself and headed up the "green" movement. And then, as a people's deputy of the USSR, he began to deal with the "ecology of the society" and to fight against the pollution of our civil environment.

[Gurtovoy] In your speech at the Supreme Soviet, why did you especially emphasize the fight against speculation in the period of the transition to the market?

[Shapovalenko] First of all, many mistakenly think that speculation is a phenomenon linked with the market economy. No, precisely its free setting of prices and exchanges make the process of buying and selling open. Speculation under our version is a product of the command system, in which one person may acquire a commodity whose price is set by the state and someone else may not. And this powerless person essentially pays the powers that be a supplemental value through intermediary speculators. Our bureaucrats were always corrupt. But today, when their final hour is tolling, they are resorting and will resort to any ventures just so that they can grab a little more in the end.

[Gurtovoy] Are your theoretical arguments supported by facts?

[Shapovalenko] In Orenburg, I learned of a strange barter deal. Thousands of refrigerators, irons and color televisions went to Poland. And from there came salve and detergents, for which state trade was charging an exorbitant price to the consumer. Local law enforcement agencies tried to convince me that this is the market economy. But when deputies insisted and specialists from the USSR Ministry of Internal Affairs looked into this, they found bribery at the expense of the city treasury. It was also revealed that the scarce goods sent over the border were called children's toys...

The market is not advantageous to corrupt gangs. It is no accident that precisely the shadow economy initially welcomed the cooperative movement and at first was

eager to launder money in the cooperatives. But then, seeing that cooperatives were hitting against the speculative network, incited the people against the cooperatives.

[Gurtovoy] Yes, that was apparent in Moscow, where last summer fruits and vegetables were sold on every corner, although they were more expensive than in the stores. After the triumphant crushing of the intermediary cooperatives, the mafia established the current astronomical prices in all Moscow markets.

[Shapovalenko] Let us return to Orenburg. Why was the crime that I spoke about not uncovered locally? I think that a role was also played by the fact that the public prosecutor and the entire law enforcement elite previously worked in one section of the CPSU obkom—as instructors. And they became accustomed to not taking "too much" for themselves. But some very important figures at the city level were involved in the "barter."

Why are things so muddy in our time? The economic laws have not begun to work but the juridical laws, although they previously suppressed corruption, have ceased to work.

[Gurtovoy] But no one repealed them.

[Shapovalenko] Of course. And today, now that the Supreme Soviet has sanctioned a significant strengthening of executive authority, it is necessary to return to the strict observance of the laws, including those that stopped classical indisputable speculation. Here in Orenburg, the state warehouse received American slippers for a price of 50 rubles but they went to the commission stores for 200 rubles. What kind of a market is this?

In the transition period, the still existing structures of the command economy will divert the money of the people into the pockets of bureaucrats and speculators through their specially established "pseudomarket" appendages. And those who robbed us, having trampled on the norms of the law and morality, will emerge as new millionaires in the society of equal opportunities that we are trying to build. In the transition to the market, let us try not to fall into the "wolf trap" that they are digging for us.

FOOD PROCESSING, DISTRIBUTION

Georgian Consumer Situation, Experimental Stores Discussed

914D0060A Tbilisi MOLODEZH GRUZII in Russian
2 Nov 90 p 6

[Interview with Otar Ezugbaya and Zaur Margvelashvili, deputy chairmen of the Tbilisi Agroindustrial Committee, by A. Yeremyan, G. Saralidze and Yu. Simonyan: "The Bitterness of Onions"]

[Text] The rumor spreading through Tbilisi is that the city's inhabitants have a hungry winter ahead of them. But how justified is it? There have always been problems with

laying away agricultural products in vegetable storehouses for the winter. Similarly as in every other process of economic activity in the era of "developed" socialism. But you must agree that anxiety and rumors concerning these matters were not observed last year or the year before last. So what's going on? A poor harvest this year, the troubles of the forthcoming transition to a market economy, or vegetable storehouses unprepared for the winter season? Certainly these are important and troubling questions. It is these questions that we have attempted to answer in this article.

I. The News From Tbilagroprom

The subjects of our interview are Otar Ezugbaya and Zaur Margvelashvili, deputy chairmen of Tbilagroprom [Tbilisi Agroindustrial Committee].

[Question] How are things going in general with the harvest campaign?

[Answer] For the most part it's in its final stage. But at the same time it should be noted that this was a bad agricultural year. Some rayons experienced a drought, and their yields were of low quality. It would be unsuitable to store these products for the winter in vegetable storehouses. The Tbilagroprom has four rayons located near the republic's capital under its jurisdiction—Bolinisskiy, Marneulskiy, Gardabanskiy and Mtskhetskiy. It is precisely from here that most of the agricultural products required by the citizens of Tbilisi must be delivered. This includes vegetables put away for the winter. Now, in connection with the forthcoming transition to a market economy, the agrarian sectors of these regions of the republic are yearning for independence, which is of course fully explainable and justified. But at the same time this circumstance complicates the situation to a certain degree as well. Nonetheless, we are counting on further cooperation, and we are seeking new forms of it.

[Question] You mentioned the drought. But are there other objective causes in view of which the farms grew low quality products and failed to fulfill the planned harvest indicators?

[Answer] There are plenty of them. That same Marneulskiy Rayon lacks even ordinary transporters with which to sort potatoes collected together in one place, and load them on trucks. Moreover the mechanization level is very low in other areas of agricultural production as well. Potatoes, as an example, are harvested by hand using sieves and buckets. They lose their quality and their market appearance worsens as a result.

[Question] In what amounts will vegetables be procured for the winter, and will there be enough to satisfy the needs of our city's residents in the winter season?

[Answer] Tbilisi is serviced by two organizations in this regard—the Tbilisiskiy Fruit and Vegetable Combine and the Navtlugskaya Fruit and Vegetable Base. They will put 14,000 tons of locally produced potatoes and 20,000

tons of potatoes brought in from Germany and Poland away for the winter. Tentatively this means that around 34,000 tons of potatoes will be put into storage. This quantity is fully sufficient to satisfy the needs of Tbilisi all the way until spring, when early potatoes will appear. It should also be noted that local potatoes are not of the quality we had expected. The reasons for that were discussed above, the drought being one of them.

Around 10,000 tons of cabbage will be trucked in to the vegetable storehouses. This will be enough to supply both the trade network and state-budget enterprises during the winter. According to preliminary data 2,000 tons more cabbage will be put away for the winter than last year. The most important thing today is to promptly organize procurement and shipment of the cabbage. We were in Adigenskiy and Akhaltsikhskiy rayons, from which around 7,000 tons of cabbage will be trucked in, just yesterday. Predictions of a severe cold spell in these rayons are raising some concern. This is why all 7,000 tons of the cabbage must be moved out within 15-20 days. Cabbage is a traditional crop to Adigenskiy Rayon. It grows primarily the Amager variety, which stores well at bases over the entire winter season. All public farms were abolished in Adigenskiy Rayon within the framework of that well-known experiment. Just last year the procurement price of cabbage was 20 kopecks per kilogram here. But this year we are purchasing cabbage from private peasant farms at a price of 30 kopecks per kilogram. Cabbage will also be imported from other rayons of the republic: Goriyskiy—1,000 tons, Kaspiskiy—500 tons. As far as Tsalkskiy Rayon is concerned, the varieties of cabbage cultivated here are not intended for long term storage, and therefore we are supplying these products to the trade network directly.

Khashurskiy Rayon is the principal supplier of carrots and beets. Everything has been brought into full readiness here as well: The necessary amounts of motor transportation and fuel are present. But the harvesting rate must be accelerated. It all depends upon the leadership of the RAPO [Rayon Agro-Industrial Association] and the farms. In Khashurskiy Rayon, [word illegible] is continuing in parallel with the harvesting of vegetables, employing many people. But representatives of the local RAPO assured us that all steps will be taken to ship the necessary quantity of vegetables. A total of 1,500 tons of beets and 1,000 tons of carrots will be put away for the winter.

What troubles us most of all today is the problem of onion procurement. Only 3,180 tons of locally produced onions have been put into storage at the bases. And more is not foreseen. But to satisfy the needs of the city's inhabitants, 10,000-12,000 tons would have to be put away for the winter. I already mentioned earlier that this was a bad agricultural year. Moreover most of the harvested onion was not fit for winter storage due to low quality. Therefore we intend to import the lacking quantity of onions from Uzbekistan and Turkmenia. Our representatives are there right now. The first 100 tons of

onions have already been shipped to us from there. A total of 5,000 tons will be shipped from Uzbekistan, and 800 tons from Turkmenia.

[Question] What is the state of the vegetable storehouses, and are they ready to receive the full volume of agricultural products?

[Answer] Preventive repairs are started in the first days of June. That's the way it is every year. This year all repairs were completed by as early as August. We can say with full grounds that both the Liloyskiy Fruit and Vegetable Combine and the Navtlugskaya Fruit and Vegetable Base are fully prepared for the forthcoming winter season.

[Question] What percentage of the total quantity of harvested vegetables is lost during harvesting and transport?

[Answer] An average of 25-30 percent. But if we consider that 155,000 tons of vegetables were supposed to have passed through the Tbilagroprom system this year, and in reality around 82,000 tons were processed, these losses are highly tangible. Besides the causes mentioned above, it should be noted that poor climatic conditions, the drought, hail and the disorganization of the producers promoted this as well.

[Question] What is the system by which agricultural products will be supplied to the trade network over the entire winter season?

[Answer] The Navtlugskaya Fruit and Vegetable Base services state-budget organizations and public food services enterprises, while the Liloyskiy Fruit and Vegetable Combine services the trade network—a total of 156 stores. Deliveries of agricultural products from vegetable storehouses to the trade network will begin on the first of December. Two motor transport organizations are operating in Tbilagroprom. The management of the stores draws up orders for vegetables, and reserves the motor transportation. There is nothing new in this process. It all goes on like this until May. And then the field-to-store mechanism goes into motion.

[Question] Many so-called "experimental stores" recently appeared in Tbilisi. What is the essence of this experiment?

[Answer] This experiment was started in the year before last. Four stores were converted to the new forms of customer service initially. But in August of last year there were as many as over 40 such stores.

The essence of the experiment was this: Besides receiving funded products, trade facilities were granted the right to purchase up to 30 percent of their agricultural products from the public and within the system of Tsekavshiri on the basis of contracted prices. In this case the selling prices were far below market prices. Besides this, funded products were sorted into several grades in the store itself, and then sold at different prices. All of this made it possible to widen the assortment of the sold

products, improve their quality and improve the level of service to the public within an extremely short time. In 6 months after introduction of the experiment, even stores that had always operated at a loss enjoyed a profit of around 300,000 rubles. But as with anything new, this system fell into disfavor, and the effort that was started was not followed through to its conclusion. There were organizational problems. Some stores began selling products at higher prices without preliminary sorting, and on occasion the prices of some products were close to market prices. The end result of all of this was that the State Committee for Prices adopted a decision terminating this experiment. Not one such store was left in Tbilisi after June of this year. Nonetheless, the republic's State Agroindustrial Committee is not losing hope in resuming the experiment. Tomorrow we will have a market economy, you see, and this form of service—experimental stores—was, I think, one of the first swallows of this innovation.

[Question] What success are you having in establishing relations with leasing farms?

[Answer] Things are not going easily. Leasing is a relatively new form of labor organization in the countryside, and we are encountering many problems in this area. In most cases the leaseholders are not orienting themselves on state orders, and they are dictating their own terms. What the leaseholder says by way of explanation is that the land is his, the products he grows are his, and he is going to sell them for what he wants. And if you don't like it, he will find other customers. Such cases occurred in July-August of this year in Bolnisskiy, Marneulskiy, Gardabanskiy and other rayons of the republic. But we can't keep buying vegetables at higher prices. The procurement prices were established by the republic's Council of Ministers, and no one has the right to violate them. There's the paradox. Which means that as long as state orders exist, they have to be filled. And the mechanism described above could be debugged only after the market economy is introduced.

[Question] Let's return to the main topic of our interview. Is Tbilisi faced by a hungry winter?

[Answer] I can say with full responsibility that our organization will do everything it can to see that citizens of the city will receive the required quantities of agricultural products throughout the entire winter season. I think that all of the real preconditions for this exist today.

II. The News From the Vegetable Storehouses

The Liloyskiy Fruit and Vegetable Combine greeted us with a silence that is unusual for this period of time. There were none of the usual lines of loaded trucks or the bustle around the vegetable storehouses, idle workers were loitering around the base territory, and the modern vegetable packaging line was not working. Merab Gogodze, the combine's deputy director, voiced little optimism in his welcome as well.

"The situation is grave," he said. "The overwhelming majority of the refrigerators are empty. I can't remember such a thing ever happening in all the time I have been working at the combine. Just last year we were unloading up to 500 trucks daily, and sometimes even more. But now there is simply nothing to unload. Akhaltsikhskiy, Tsalkskiy, Bogdanovskiy and Akhalkalakskiy rayons are not fulfilling their potato delivery plan. Clearly the shortage of potatoes will have to be compensated by imports from Poland and Germany. Citing a bad harvest, our Soviet partners in Kursk and Orel have refused to ship a total of 6,500 tons of potatoes. And this is after all of the mass media trumpeted an unprecedented harvest. Things are no better with onions either. Negotiations with the Central Asian republics on deliveries of onions have reached a dead end. In a word, the base is practically empty."

We persuaded ourselves of this when we looked into the excellently maintained but empty refrigerators. Only one of them was fully loaded with potatoes. Moreover their quality left much to be desired. The small potatoes, the size of walnuts, are already raising apprehensions among base workers that they will not last out the required time. Why is the storehouse receiving only potatoes like these, far from ideal? The answer to this question is associated with introduction of the leasing system into agriculture. For example assume that a leaseholder signs an agreement to deliver a certain quantity of potatoes. Naturally, guiding himself by his own interests, he selects the best large tubers for sale in the market, while the smaller ones are shipped to the storehouse. Moreover you can't complain about the size of these potatoes, because according to Giya Amiranashvili, the commodity specialist of the combine's marketing department, a single All-Union State Standard was written for all of the Soviet Union, and it says that the diameter of a tuber must be not less than three centimeters. And so it happens that you'll have to go to the market for good products, which will cost several times more.

A few days ago the combine received cabbages. But the joy was premature when it was learned that the cabbages had come from Tsalki. That variety is not adapted to long-term storage, and after a couple of weeks it turns into mush. It is hard to understand why the cabbage was sent to the storehouse instead of being sold quickly through stores. Luckily, reason has triumphed, albeit with a delay, and the heads of cabbage will appear on store shelves in the next few days.

Just about the only good news was the arrival of several carloads of garlic from Voronezh. But you can't satisfy your hunger by garlic alone. Other vegetables are practically not coming in at all. Let's look at the figures. Out of the planned 29,200 tons of potatoes, the Liloyskiy Combine has less than 6,500 tons, out of 11,000 tons of onions, it only has 1,627 tons, and out of 8,000 tons of cabbage, it has not a single gram (disregarding the cabbages from Tsalki). Nor have there been any deliveries yet of beets and carrots. As far as the last two are concerned, we were somewhat encouraged by the fact

that as a rule they are not laid in until after 1 November. Let's wait, November isn't that far away. But in the meantime the agricultural rayons of Georgia have literally started a contest as to whose shortfall will be greatest. Thus Dmanisskiy Rayon delivered only 5 tons of potatoes out of the 2,000 tons promised. Laborers of Bogdanovskiy Rayon, who sent 973 tons to the combine, instead of 3,000, are trying not to fall behind the "record-holders." Akhalkalakskiy and Tsalkskiy rayons delivered three times less potatoes than planned. All of this is explained by low yields, which, as we know, can be used as an excuse for anything. Strange as it may seem, low yields had absolutely no effect on the availability of the products of these same rayons being sold at Tbilisi markets. Obviously, stiffer sanctions need to be imposed on contract violators, rather than having them pay the 3 percent of the total value of the shortfall. That ends up a laughable sum, you see, and sometimes it is more advantageous for the leaseholder to pay the fine than fulfill his obligation.

Things are somewhat better at the Navtlugskaya Fruit and Vegetable Base. Though even there, the plan is far from being met. The full volume of onions has not yet been put into storage, and around 2,000 tons of potatoes have been placed into the refrigerators, instead of 5,000 tons.

"As you can see, there is much to be done before potatoes are completely laid away," said the base director, Avtandil Vardosanidze. "But everything will soon fall into place, inasmuch as rail cars carrying the needed vegetables have already left Poland and Germany. As far as other vegetables are concerned, like carrots for example, they are just beginning to be harvested. But even here there are no problems, from my point of view. Such that there are no grounds for talking about a hungry winter."

III. In Place of an Epilogue

As we can see from the above, the news from Tbilagro-prom, the Liloyskiy Fruit and Vegetable Combine and the Navtlugskaya Fruit and Vegetable Base differs. People in the first organization are more optimistically predisposed toward the forthcoming winter, which is something you can't say about the last two. It was a bad agricultural year, one of low yields. And this is a fully objective cause that can explain the complex situation that has evolved in procurement of various agricultural products for winter. The management of interested organizations is compelled to seek various ways of somehow solving this problem. There is still time before the first of December, and we will hope that a large part of what was planned for this period will ultimately be achieved. Some organizations and institutions are opting for direct contacts with the farms and leaseholders, and they are purchasing vegetables and other agricultural products from them for the needs of their associates. But in terms of the scale of the whole city, this is not a solution to the problem. What is there to do? Tighten belts tighter and prepare for hard times? Or hope that the plans of

Tbilagroprom concerning agricultural products imported from outside the republic will be met? Naturally, the citizens of Tbilisi prefer the latter variant. But how long can we go on counting on Polish potatoes and Central Asian onions?

Armenian Poultry, Egg Shortages Examined

914D0052A Yerevan GOLOS ARMENII in Russian
1 Nov 90 p 1

[Article by V. Alaverdyan: "The Convertible Egg"]

[Text] The scientifically sound norms for Armenian nutrition call for 220 eggs and 13 kilograms of poultry meat per capita. In order to achieve this goal, the Armptitseprom [Armenian Poultry Industry] must produce 900 million eggs and 51,200 tons of poultry meat. Over the past nine months of this year, the system produced 225.5 million eggs instead of the 304 million planned and in the case of meat—24,300 tons instead of 31,000 tons. In other words, the consumer was undersupplied in the amount of 6,700 tons of meat and 49.5 million eggs.

Recently, having become acquainted with these figures, I conducted a small poll among known poultry breeders in order to ascertain the reason for the sharp drop in the indicators of our 26 poultry factories and to learn how to stabilize egg and meat production. In short, why did Ptitsprom [Poultry Industry] fail us?

Although the responses varied, they nevertheless covered all of the chief reasons: a lack of high quality feed, weak selection and poor coordination of the work being carried out by Ptitsprom factories.

Of all the mentioned problems, the supplying of the animals with high quality feed is viewed as being the most difficult one to resolve. Certainly, use could have been made of the well known and extensively employed method of our journalists, with all of the blame for this situation being placed upon the republic's Ministry of Grain Products. But one must not forget that this organization is engaged in the processing of agricultural products, 70 percent of which is wheat. This year alone, it was undersupplied in the amount of 6000 tons of oil-seed meal and 8,000 tons of grass meal. Thus, when unraveling this cluster of problems, we must necessarily begin with our Agroprom [Agro-Industrial Committee]. And subsequently all of these difficulties will be found not only among us but also throughout the country, where with each passing year the work is becoming worse and worse.

If we are to believe the general director of the Soyuzptitsseprom VPNO V.I. Fisinin, and we have no reason to doubt the reliability of this information, then since the end of last year the availability of mixed feed to the branch did not exceed 80-85 percent and this required a reduction of six million in the number of laying hens. The country's mixed feed industry began receiving lesser amounts of soybean oil-seed meal, fish and meat and

bone meal and corn. As a result, the mixed feed presently contains only 10-12 percent protein instead of 16 percent. During the second half of this year alone, the mixed feed industry was undersupplied with imported soybean oil-seed meal in the amount of 1.3 million tons. And this derives from our economic relations with foreign countries, relations which can in no way be viewed as favorable.

But how can we expect much from our foreign relations when our economic relations with the country's republics have been smashed to smithereens? For example, the Asian republics have ceased shipping oil-seed meal and Dalrybstroy has stopped supplying one fourth of the requirements for fish meal. Thus, when we discuss the problem of supplying the republic with mixed feed, we must examine this question through the prism of rapidly changing economic relations among the republics, the approaching market relationships and the completely new and rather unpredictable situation associated with the decentralization of the mixed feed industry.

Instead of calculating our losses, would it not be better for us to devote some thought to how we can correctly orient ourselves to the stern conditions imposed by converting over to the market? As yet, we are fortunately still paying for everything using the ruble. But if the feed situation continues on its present course, I fear that before long all of the commercial operations will have to be carried out using these same eggs that are in short supply, eggs that are acquiring convertibility. And this is no exaggeration. That which we cannot buy today for money can be exchanged for eggs, which today cost 30 kopecks apiece (some say even more) on the market.

The second reason is found in an area which lies within our reach. True, we discuss it as though nothing is being done in the realm of selection. The work started in 1965 of importing into the republic crosses and lines of egg and meat productivity is still being continued today. If an estimate is made of the amount of funds expended for conducting republic scientific-production conferences on the subject of breeding and selection work over the past quarter century and on the investment of such funds in work concerned with acclimatization peculiarities and studying the effectiveness of poultry matching and improvements in the flocks, without which it is impossible to achieve prolonged and stable productivity it is believed that at the present time there would be no need generally for examining this question.

And, finally, the third reason. It is my opinion that the Armptitsseprom system is unable to justify itself in its present form. For example, the plans call for the use of 140,000 rubles for expanding the Echmiadzin Poultry Factory and yet only 35,000 rubles' worth of work had been carried out by the second half of October. A proper effort was made by Construction Administration No. 2 of the Echmiadzin Trust. Or Trust No. 5 of Agrostroy is building a warehouse for the storage of 800 tons of mazut for the Nubarashensk Poultry Factory. It should have been turned over during the second quarter.

Plans call for 232,000 rubles' worth of work to be carried out here during the second half of October. Only 41,000 rubles' worth of work were carried out. Understandably, given such rates, the installation will not be placed in operation this year, but the combine will not influence the course of construction. Thus, everything has to do with the structure, which must be changed, after first creating a firm with a closed system. This will allow many questions to be resolved in an efficient manner. For example, today the poultry factories, excluding the Dzhrarat and Lusakert facilities, do not have their own dead-end sidings for receiving mazut.

On the threshold of winter and owing to a shortage of equipment and delayed repair operations, the boiler rooms at the Arzni, Ashtarak, Shirak and Echmiadzin poultry factories were not ready for operations. Yes and the mazut was distributed in an irregular manner. At the Leninakan Poultry Factory, despite a capacity for 800 tons, only 400 tons were accumulated, at the Shirak facility these figures were 1,000 and 300 tons respectively, at the Ashtarak factory—800 and 400 tons and at the Arzni factory—500 and 200 tons.

But enough of this! It is believed that the time is at hand for discussing Ptitseprom's capability. The Nubarashensk Poultry Factory fulfilled its six-month task for poultry meat production by 62 percent, the Yerevan factory—by 56.2 percent, the Martuni factory—by 20 percent, Araratska, a—by 12.4 percent, and the Oktembryan factory—by 9.4 percent. Certainly, the problem here involved not only objective factors. Serious questions of an organizational nature were also at issue. And indeed Ptitseprom must deal with the leadership of these poultry factories and in a very strict manner. In a similar manner, it must deal with the directors of the Nor-Kharberd, Ashtarak, Gndevaz, Vardenis and Getamech poultry factories, all of which overloaded the plan. You will agree that this is nothing more than a receipt for one's own insolvency. This is not even a weak attempt to realize one's own potential, but rather a direct reluctance to engage in the assigned work.

Independent Estonian Food Industry Proposed

914D0036A Tallinn RAHVA HAAL in Estonian
26 Sep 90 p 2

[Article by Kalju Murk: "Toward an Independent Estonia With a Dependent Food Industry"]

[Text] Asto, the association of Estonia's food industry, is a voluntary consortium of enterprises that handles the common affairs of its members and stands up for their interests, including their dealings with government agencies. Asto was joined recently by the bread industry, and the association now embraces the whole branch of the industry formerly reporting to the Ministry of Food Industry. Asto's chairman Aksel Treimann shared his thoughts with this reporter about the base of raw materials for the present and future needs of this industry.

There are two basic tasks the food industry has to perform: it has to provide the population with pastry, bread, margarine, soft drinks and other necessities, and it also has to make a substantial contribution to the state treasury. The manufacture of beer, vodka, wine and tobacco products is also vital to the state's economy—without it, we could not contribute roughly half a billion rubles a year to the state's treasury ...

We are oriented predominantly to the Estonian consumer—72 percent of our production remains here. Only 27 percent goes to other union republics. Exports to anywhere else are still negligible.

At the same time, only 14 percent of our raw materials come from Estonia. Fifty-eight percent is imported from the Soviet Union, the remaining 28 percent comes from abroad through Soviet importing arrangements. Imports, therefore, account for $58 + 28 = 86$ percent of our need for raw materials. And for that Estonia is paying with its consumer goods.

Do we really have to buy so much of our raw material from somewhere else? What are some of the necessary items that we could grow in our own country? These are some of the questions brought about by current supply snags that are part of the general crisis in the Soviet Union. In the interests of Estonia moving toward its independence, it is downright imperative that we reduce our dependence on imported raw materials. To obtain the means for raising our national economy to a level of contemporary standards, every opportunity should be seized not only to increase the exports but also to reduce the imports.

A certain portion of raw materials will have to be imported by the Estonian food industry, even in the future. Cocoa beans, cocoa butter, cloves, cinnamon, nutmeg, cardamon and other exotic products can obviously not be grown by us. As mentioned before, these items are imported by the Soviet Union for its crude oil dollars, with 43 million of its convertible rubles (roughly 76 million in U.S. dollars) spent for this purpose. It would be pointless to argue at this time where would the Republic of Estonia be getting this kind of money in the future.

It is urgent, however, to review all of the raw materials that have, up until now, been imported from the eastern market. With proper motivation on the part of Estonia's farmers, there is no reason why imports from the Soviet Union should reach 58 percent of the total need for raw materials. In my opinion, the food industry could be relying on local raw materials for as much as 30 percent of its needs, instead of the present 14 percent.

Let's pause on some of the major issues that are, to some measure, tied to the development of a feed base for raising animals, and to the matter of raising the nutritional values for the population.

Two Birds With One Stone

Our cooking oil industry is based almost entirely on imported raw material. It would be of utmost importance to replace the thousands of tons of sunflower oil coming from the Ukraine with domestically grown rape oil. The rape grows well here. The rape, and its somewhat faster-maturing sister plant the turnip rape are doing fine in Finland, which is even further north. Having our own rape oil would enable us to replace the hitherto predominant animal fats in the popular diet with the healthier alternative of vegetable oils. The compacted residue of oil production—known as oil cakes—makes for magnificent, protein-rich animal feed.

It is known that we have a shortage of power-feed for raising animals. This is why, in the course of promoting the growing of plants for our food industry, we have to be on a lookout for other such cultures that would yield a by-product for animal growers. Let's mention flax seed, for one, the compacted residue of which was at one time bought up by farmers as a popular form of power feed. But the growing of flax has also declined lately, so that 180 tons of flax seed had to be imported from Belorussia last year, with 420 tons requested for this year...

Vodka and Beer—Out of Our Own Grain!

There is not much additional animal feed to be gained from the waste of vodka production. Brewery refuse, however, is produced in quite significant amounts—25,000 tons a year. Yet, we are importing both the grain for vodka, and the oats for beer. This year, these imports amount to 40,000 tons. For the coming year, Asto needs a total of 45,900 tons of grain, and this should be grown on our own fields, unless we can get a really good deal somewhere else.

The annual grain requirement for making vodka is around 25,000 tons. This amount could actually be obtained in Estonia, if combined with a partial application of small potato distilleries, but the present price and tax policies are not conducive to attempting it. The matter deserves a closer look at the time of discussing Estonia's economic concept. However, our oats for beer are good, and so are the prospects for the beer industry to increase its exports. For the coming year, we need 16,000 tons of beer oats, with projected estimates of need reaching 20,000 to 30,00 tons a year.

One of the most expensive kinds of raw materials is the beer hop. At its current price of 25 rubles a kilogram, and an annual need of around 350 tons, this item alone accounts for close to nine million rubles a year. While there's no way around importing the item, there's no reason why we would have to limit ourselves to the eastern market. The wild hop that was grown by our forefathers on the sunny side of the barn or the shed, is not suitable for industrial production. We don't have enough sun for growing the cultured hops. In Latvia it doesn't fare much better either. In Lithuania, however, it starts holding its own.

The Baltic Market

The Baltic Market can help us with other things besides getting hops. One of the basic raw materials for the food industry is sugar. Sugar beet has been grown successfully in Estonia, and even our northern neighbor Finland has its own sugar industry. However, it will not pay for us to start one now, considering the development of economic cooperation between the Baltic states. The sugar factories in Latvia and Lithuania are under-producing because there is a shortage of beets. We could grow our own beets and send them over there for processing. Starting a sugar factory is not cheap. Without expensive purification equipment, it can cause major pollution to the environment. And besides: sugar is relatively cheap on the world market.

Large amounts (9,000 tons) of residual syrup—molasses—are brought to us from sugar factories in the Ukraine. It would be cheaper to haul this, and our sugar, from some of our closer neighbors.

It's a Shame

It's a shame to be buying syrup in rather large amounts (2,000 tons), and 3,000 tons of tapioca in addition to that, also for making syrup. And we consider ourselves a potato republic! Our farmers, at the same time, are often having trouble selling their potatoes. Anywhere else in the world, the farmer would enter a contract with the industry early on in the season, knowing that a good potato crop is anticipated. Our farmers don't want to enter agreements, because they hope to get a better price for their potatoes toward spring. Last year, however, the Karelian market was closed early by the Belorussians, and the Moscow market by the Lithuanians. Our industry had to take on huge surplus amounts of potatoes in the spring, just when the starch plant at Rakvere had been closed down to prevent environmental pollution... For this year, not much improvement is expected. Yet, state regulation applies. We should give up the imports of both the tapioca flour and the syrup and make as much syrup as needed out of our own potatoes.

We can also not tolerate a situation where our annual purchases from outside sources include a ton's worth of mustard seed and several tons of caraway seed. For the time being, agreements for buying caraway seeds have already been made by our collectives. Mustard, however, grows well in our climate, and makes a good support plant for peas.

Large quantities of dried vegetables are also being purchased: 42 tons of onions, 26 tons of carrots, seven tons of garlic, six tons of seasoning greens, and 800 kilograms of horse radish. It took, of course, several times the amount for each item in fresh produce to make up these quantities. It is convenient enough for the producer to shake dry seasonings out of a sack, but fresh produce would raise the nutritional value of the product. It is especially important for canned foods meant for children. After all, we should be able to grow as many kitchen vegetables as needed. The onion growers around Lake Peipus, for example, have

been having difficulties marketing their crop. It is all a matter of getting a just price for the grower.

Think of the Health of Children!

We are buying far too many of all kinds of concentrates and mixes—Pepsi- Fanta-and Coca-Cola concentrates, along with concentrates of grape and other citrus fruit juices. The light ale powder alone, purchased from Russia, amounts to some 100 tons. These should be replaced by domestic juices. A lot of juices are needed by all food processing plants except, of course, cooking oil manufacturers. They are used in the making of pastries and even bread, and in the production of cordials and good natural wines. The lemonade industry should not have to use concentrates at all, yet the Lemonade Factory of Tallinn offers nothing but. There are only a few places left in southern Estonia where safe soft drinks, suitable for children, are still being made out of natural juices. Because of the lack of any serious interest, our juice production has been neglected to the point where processing cannot keep up with the crop collected. Sometimes even some of the crop collected does not get processed. Last year—a very good year for apples—the food industry started importing apple juice from Armenia before the end of October. The market economy, it is hoped, will open up prospects for the development of juice processing as well as fruit and berry growing.

When thinking of people's health, especially that of our children, we should also refrain from the use of all kinds of pulps of questionable value, that are being purchased cheap from the eastern market by our canning industry. We will have to find a way to use, at least for canned foods consumed by our children, products that have been grown in unpolluted soil without any artificial fertilizers or pesticides. Current pricing, however, does not favor this practice. To make a canned food product of this kind, the canning factory will require pumpkin that will have a four to five times lower content of nitrogen compounds, but no collective has been willing to sign a contract for supplying a product that would meet such standards.

Only a Serious Economic Interest

Only a serious economic interest of all parties concerned could make the farmers grow sufficient quantities of high quality domestic produce for the food processing industry, and encourage the processors to make good products out of them. The food industry association does not have the power to change economic conditions and half a century of routine. This can be done by state policy. Why talk about it in the newspaper at all? Because increasing the relative importance of our domestic raw materials depends on thousands of people, on their informedness and on their depth of involvement. The plant growing patterns cannot be changed overnight. First, favorable market conditions will have to evolve, and then some more time will be needed by the collective manager, the specialist and the farmer—for adjusting the plow.

Industry leaders, too, and even members of the government and the legislature have something to think about. The simplest way of putting it would be: pay a stiff price for the raw material and pass the cost on to the consumer. Getting more expensive, at the same time, are also items like construction, equipment, energy and labor—how high can prices be driven? Subsidies have been rejected, on principle, lately, but wouldn't it make more sense to consider actual circumstances? In the developed countries, the state offers a subsidy when the market price for some vital product or service does not provide sufficient incentive to its producer. The food industry is currently providing revenues of more than 500 million rubles to the treasury of the Republic of Estonia, yet the output of some products, in natural indicators, has already dropped. It may be profitable to pay some part of it back to the people in the form of subsidies, so as to prevent the revenue source from drying up for lack of raw materials. State policies for pricing and taxation, thought through to the minutest detail, are the incentives that will bring us the beer oats, the vodka grains, the rape oil and the cherry juice—everything that Estonia can grow for its own food industry.

Thoughts from the conversation recorded by Kalju Murk (Press Bureau of the Ministry of Industry and Energetics)

GOODS PRODUCTION, DISTRIBUTION

Vehicle Purchase Schemes Outlined

914H0054A Moscow IZVESTIYA in Russian 28 Nov 90
Union Edition p 6

[Article by special correspondents V. Remizov and S. Mostovshchikov: "How to Buy a Car in the Auto Capital"]

[Text] Sixty thousand rubles—such is the latest black market price of a Zhiguli VAZ-21093 motor vehicle, the official cost of which is 9,160 rubles, in the city of Togliatti. This is a unique sort of record for the city of 600,000, around 70,000 of whom go to work each morning at the Volga Motor Vehicle Plant and build Zhigulis, and essentially determine the "weather" in the Soviet auto market. But Togliatti also possesses one of the most famous motor vehicle stores of the USSR, and the legendary second-hand markets at which scarce spare parts are offered for sale.

The most popular way of getting to the car-lovers' Mecca is by rail. You reach Zhiguli Sea Station, and you learn that all municipal transportation to Togliatti has already departed. You find that private cabbies are not as terrible as the legends have it. Making a half-hearted effort at bargaining, you bring the fare down from 10 rubles per person to 5, and 20 minutes later you drive into the only city in the Soviet Union where yardkeepers don't steal parts from cars.

Any local car owner can tell you where the flea markets are. There are three that are best known. Beside the

Avtozapchasti [Spare Motor Vehicle Parts] store in the old city, and beside the Zhiguli and Nekonditsionnyye Zapchasti [Subgrade Spare Parts] stores in the new city. People who come here often say that just a year ago entire lots of spare parts could be purchased illegally in Togliatti, and that some of them were going for retail cheaper than in the stores.

Now the situation has changed dramatically. Literally the day after the USSR government categorized scarce spare parts as luxury items, and the Russian parliament, which was displeased with this decision, prohibited their sale henceforth without special permission, prices at local second-hand markets doubled and tripled. The supply of goods became smaller, inasmuch as many are in no hurry to sell them—it's unclear as to which way state prices will go. The ordering department through which production leaders and veterans of the Volga Motor Vehicle Plant officially acquire highly scarce parts for vehicles is closed for inventory "tentatively until 1 December 1990."

However, after talking a little with some shady-looking fellow citizens, we learned that some things are still to be had. We were offered a new starter for 150 rubles (in Moscow it's hard to find one even for 300), a set of shock absorbers for 230 (you can't find them at all), a hood for 900, and ignition coils, window cranks, and a new oil-packed five-speed gearbox.

Cars are still being sold at current state prices in the city, but the black market is still in confusion, and the stakes in it are rising. Sixty thousand rubles for a VAZ-21093 (a "Niner" with a "Number Three" engine and a five-speed transmission) is apparently not the limit, inasmuch as according to the rumors, state prices will increase by a minimum of a time and a half as of 1 January. Moreover lacking parts for the "903"—the most prestigious Soviet vehicle—are now being produced with interruptions at the plant. Even those who somehow manage to wait out their turn and are summoned to the city to take possession of such a car, are unable to do so, and must live here for a few days.

Each such day recalls a kind of pagan ritual in which you pay homage to several idols. At ten in the morning—right after the Zhiguli trade center opens—there are the bedraggled notebooks at window No 4. There you must find your name, indicating that your turn to receive your model has actually come up, and that they know this in the store. Next to the name you read an order number. Then you take this number to the goods manager, who writes a pass allowing you to inspect the vehicle if it is available.

The wait can stretch up to a day, during which shifty-eyed citizens approach you and express a readiness to purchase your as-yet unpurchased vehicle or to exchange it for another model, also as yet unpurchased. The deals might be like this: A VAZ-21093 for 60,000 rubles, or \$3,000, or the same VAZ-21093 in trade for a VAZ-21053 with 10-15,000 to boot, depending on the color.

Of course, you don't know what the color of your future vehicle is yet, since you don't yet know what choice you'll be offered. Experience shows that there isn't any choice. The most popular colors—"wet asphalt" and "blue trout"—are unavailable, as the salesmen explain to you later on. This ticks you off, because just one of the prestigious colors alone would add around 5,000 on the black market.

However, you now find yourself behind the wheel of your own motor car, and pedestrians surrounding you are envious of your rare luck. But this luck is extremely fleeting, as malicious tongues are prepared to inform you. The advice in Togliatti is not to leave your car for a minute, not to ferry it to another city on your own, and not to park it en route for a night's sleep, lest someone steals it from you. When you get to your destination, they recommend installing every imaginable security system in your car, and making an effort to find private businessmen who make special decals that make your windshield appear as if it is cracked. An especially high value is also placed on mechanics who know how to actually break the glass, but in such a way that the crack is small and wouldn't impair visibility. In short, a car is of course a luxury item.

It would generally be simpler to go along with all of this, than to fight it. But it is difficult to get used to the idea that to our industry and trade, the Soviet citizen is not on top of the list.

PERSONAL INCOME, SAVINGS

Statistics on Incomes, Budgets of Families in Latvia

914D0049A Riga CINA in Latvian 16 Oct 90 p 3

[Article by economist J. Elksnis: "The Wealthy Live as They Will, The Poor—as They Can"]

[Text] During the period of transition to a free economy, the income levels of various categories of residents in the Republic has changed markedly. Thus, according to a study of family budgets, from 1988 to 1989 the average aggregate incomes (in money and in kind) of the families of workers and employees rose in real terms by 10.7%; those of kolhoz families—by 7.6%.

The distribution of families according to aggregate income per family member in 1989 was as follows:

Average Aggregate Monthly Income per Family Member (in rubles)	Percentage of All Families	Percentage of Worker and Employee Families	Percentage of Kolkhoz Families
	100	100	100
Up to 75.0	2.4	2.2	3.7
75.1-100.0	7.4	7.3	8.4
100.1-125.0	12.6	12.6	12.3
125.1-150.0	15.0	15.1	13.9
150.1-175.0	14.5	14.7	12.9
175.1-200.0	12.9	13.1	11.4
200.1-225.0	9.9	10.0	9.5
225.1-250.0	7.8	7.8	7.7
250.1 and above	17.5	17.2	20.2

It should be pointed out that in recent years there has been a noticeable tendency for the number of family members whose average aggregate income is less than 100 rubles per month (i.e., below the subsistence or poverty level) to decrease, both in absolute and in relative terms. Thus, for example, in comparison to 1988, the number of Republic residents in this category shrank by 80,000, or 23%, in 1989. Their specific weight, too, decreased by 3% (from 12.8% in 1988 to 9.8% in 1989).

At the same time, the number of residents with average aggregate incomes of 250 rubles or more per month, grew more rapidly—to wit, by 134,000 people, or 40%. The share of such people in the population increased by 5% (from 12.5% to 17.5%).

The level of family income is in large part determined by such factors as the number of working members and the number of dependents in the family, their earnings, private supplementary farming, and the number of livestock held.

As the number of working members in the family increases (other things being equal), the average aggregate incomes of its members grows, and the burden on its working members decreases (the number of family members per working member). Thus, in families whose average aggregate income per member is 125-150 rubles per month, the average number of working members is 1.29, while in families with an aggregate income of 200 rubles or more per month, this figure increases to 1.48 people—that is, by 15 percent. On the other hand, the burden to the family decreases by 40% (from 2.35 to 1.41 people per working family member).

As the number of people in families grows, the number of families with a relatively high average aggregate

income per family member (other things being equal) decreases. This tendency is even more graphically evident in families with children up to the age of 16. Thus, in the category of families where the average aggregate monthly income per member is 75 rubles or less, 48.4% are families in which there is one child, and 8.6% are families with three children. On the other hand, in the category with an average aggregate monthly income per family member of 200 rubles or more, these figures are 74.3% and 4.2%, respectively.

In 1989, the decisive factor determining the aggregate income of workers, employees, and kolkhoz members was compensation for labor. The average salary of workers and employees reached 246 rubles per month, that of kolkhoz members—261 rubles. This is an increase over 1988 of 8.2% (19 rubles) and 7.6% (18 rubles), respectively (refer to beginning of article for increase in aggregate family income).

As the wages of working people in state and kolkhoz employment rises, the number of families keeping livestock and fowl decreases. At the same time, in families that raise livestock and increase that number, the average aggregate income per family member grows. This is illustrated by data on family budgets gathered from kolkhoz members:

Average Distribution of Livestock per 100 Families as of 31 Dec 1989

Average Aggregate Monthly Income per Family Member	Cattle	Swine	Goats and Sheep
Up to 75.0	40	20	—
125.1-150.0	86	86	22
200.1 or more	132	109	76
All incomes	123	93	54

One source of increase in a family's budgetary income are the public consumption funds. As the number of children in worker and employee families increases, the relative amount of wages decreases, while that of income from public consumption funds grows. This cannot be said of the kolkhoz families, which get some income from supplementary farming. Incomes from public consumption funds are unequally distributed not only by population category, but also by income groups.

Worker and employee families with an average aggregate monthly income of 75 rubles or less per member receive most of their public-consumption-fund payments in the form of allowances (27.1%), expenditures for education (22.5%), and subsidies toward maintenance of the housing fund (20.4%). On the other hand, for kolkhoz families, payments are in the form of expenditures for education (45.4%) and pensions (19.8%).

The situation is different for families with relatively high incomes—200 rubles or more per member per month. In this category, the greatest specific weight in income from public consumption funds is for pensions (26% for workers and employees, 30.6% for kolkhoz members), and for vacation disbursements (22.6% and 20.7%, respectively).

Family consumption of material goods is for the most part determined by joint income. As joint incomes increase, expenditures increase for the purchase of goods and for savings, rather than for food. [sic]

Despite the fact that expenditures for food in low-income families (average aggregate monthly income of 75 rubles or less per family member) are proportionally greater than in well-off families (200 rubles or more per family member per month), the absolute amount of expenditure for well-to-do workers, employees, and kolkhoz members, is 2.1 times greater than for the poor. Expenditures for non-food goods are 2.8 times greater for workers and employees, and for kolkhoz members—3.1 times greater. They are 3.7 and 2.4 times greater for services. The amount of savings for workers and employees is 14.5 times greater; in poor kolkhoz families, there are no savings, or they have accrued debts.

The consumption of food products is in large part determined by family income. The higher they are, the faster consumption of products such as meat, sugar (including honey and sugar used in bakery products), fruits, berries, vegetables, and cucurbitaceous produce, grows. As family income level rises, not only does the quantity of consumed products increase, but their quality improves as well. Well-off families buy part of their products in the marketplace (from private citizens), where products are much more sound than those available in the state and kolkhoz trade. In 1989, residents of the Republic overpaid private citizens for food products by 13 million rubles (in comparison to state and cooperative prices).

As the level of family incomes changes, so changes the cost for sustenance, both in total, and per each product type. Thus, on average, in 1989 family members spent 702 rubles for sustenance, while poor families spent only 494 rubles (30% less), and well-to-do families spent 898 rubles (28% more).

The greatest specific weight in the cost of sustenance consists of payments for meat and meat products (31.4% on the average), and for milk and milk products (13.7%). In poor families, expenditures for meat and meat products within the sum cost of sustenance are considerably smaller, while that for milk and milk products is greater. Also, the value of consumed calories in well-off families as compared to poor families is significantly higher—by 41.3%—and the amount of calories is greater by 15.5%.

In 1989, on average, expenditures for non-food goods constituted 31.3% of a family's budget. But in families with low incomes, they were less by half (14.5%). Last year, on average, a worker or employee family spent

2,095 rubles for non-food goods, while a family with an average aggregate monthly income per family member of 75 rubles or less, spent only 453 rubles; on the other hand, a family with an average aggregate monthly income of 200 rubles or more spent 2,324 rubles. The statistically average kolkhoz family spent 2,188, 1,364, and 4,371 rubles, respectively, toward these ends.

The family budget study data shows that, in comparison to poor families, overall monetary expenditures for the purchase of industrial goods by well-to-do worker and employee families is 5.1 times greater; for footwear—3.4; for cultural commodities—4.9; for furniture and household goods—9.9; and for the purchase of alcoholic beverages—4.5 times greater.

One can observe a similar situation in kolkhoz families, as well. Expenditures for non-food goods in the well-off families of this category are 3.2 times greater than in poor families, with expenditures for footwear being 5.3 times greater; for furniture and household goods—5.3 times; and for the purchase of alcoholic beverages—2 times greater.

Not only do well-off families purchase non-food goods in greater quantity, but they also do so at higher prices—that is, of better quality. Thus, for example, families whose average aggregate income is 200 rubles or more per month, pay 5.80 rubles per meter of fabric, while families with incomes of 125-150 rubles per month pay 4.47 rubles—that is, 23% less, for footwear—25.43 and 16.54 rubles per pair, respectively, or 35% less, for knitwear—4.43 and 3.48 rubles apiece (21% cheaper), and so on.

The level of expenditures for cultural and community facilities and cultural and personal services, is fundamentally different between families with low and relatively high incomes. Thus, the total expenditure for such facilities and services in families with an average aggregate monthly income of 200 rubles or more per member is 2.8 times greater than in families with an average aggregate monthly income of 75 rubles or less per member. This figure includes payment for community facilities and personal services that is 4.6 times higher, and for cultural and other facilities and services—2.5 times higher.

There are notable differences in the number of cultural, community, and personal items in families of various income levels. There are few means of transport (cars, motorcycles, scooters, motorbikes, mopeds), tape recorders, record players, and cameras in low-income families.

It should be pointed out that the service life of a large portion of non-durable cultural, community, and personal items is greater than 10 years. Thus, motorcycles and scooters—whose service lives are 11 or more years—constituted 46% of the total number of such items in families; washing machines—38%; vacuum cleaners—37%; small cars—34% [sic].

Material differentiation within the population of the Republic is intensifying as the number of low-income families (with an aggregate monthly income of 75 rubles or less per person) decreases, and the number of families with relatively high incomes (200 rubles or more per family member per month) rapidly increases.

Low-income families receive significantly less material wealth (food, non-food goods, and cultural, community, and personal facilities and services) than do well-off

families. One could say that the wealthy live as they will, while the poor—as they can.

A combination of measures must be drawn up and implemented to radically improve the material condition of low-income families by increasing pensions and stipends up to the minimum subsistence level: by allocating subsidies to single mothers, mothers of large families, and invalids; and by setting up new work places with suitable conditions for them to earn resources with which to augment their family budgets.

ENERGY COMPLEX ORGANIZATION

Power Industry's Unease Over Marketization Implications

914E0020A Moscow IZVESTIYA in Russian 20 Nov 90
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[Interview with Supreme Soviet power industry subcommittee chairman V.V. Bushuyev by Ye. Manucharova on the industry's anxieties as marketization looms: "The Poverty of a Powerful Sector"]

[Text] Among those disturbed by the approach of the market are power industry workers. They create the foundations for national wealth and until quite recently could dictate to the country their own rules of the game.

But it is clear today that these rules are not suited to market relations. They also do not coincide with the public's idea of its own safety: no one wants to live near unreliable nuclear power plants. So, the sector which meets society's basic needs finds itself in conflict with society's basic interests. And the position of the power industry workers themselves is desperate. What could this situation push people to?

What are the roots of this situation? And can it be changed? We discussed this with the chairman of the USSR Supreme Soviet's power industry subcommittee, professor Vitaliy Vasilyevich Bushuyev.

[Bushuyev] It would not make sense to reject the claims of the power industry workers out of hand just because there are many claims being made on them as well. Market conditions are particularly complex for those who produce a primary product: energy, oil, coal. Their prices are set by the state. Those who create secondary products have been given freedom of action. Let's say that a producer of industrial goods can sell them at so-called "contract" prices that are advantageous for him. How and with whom should the power industry workers "reach a contract?"

If the rigid conditions remain (fixed "from above"), the standard of living of workers will depend not on the quality of their work, but on the price at which they can "tear away" a good from their suppliers, and most importantly the rates they can negotiate for their product. (Both will be random: in our country, the production cost of a good and its price have no relation to each other.)

This means that the major category of power industry workers will be in unequal conditions relative to the rest of the population. Everyone will live according to the principle of "free enterprise," but the power industry workers will depend as before on the dole from the state. And a dole which is ruinous for the country: billions of rubles worth of subsidies are required. But no matter how much they grow, the situation in the sector will not improve, since the rigid setting of prices deprives the worker of incentives to raise the quality of his work. The

reliability of the power systems will drop, yet they are already dangerous, falling apart, in need of replacement and overhaul. I think only one thing will rise: the heat of confrontation between power industry workers and the public. The pendulum of public opinion will swing even stronger towards the "greens."

[IZVESTIYA] This is not surprising. After all, isn't it a known fact that the government sells five thousand tons of nuclear raw materials abroad whose waste will be buried in our country after use? Nothing is preventing Minatomenergoprom from continuing to create joint ventures that are advantageous for the foreign partner. We get the dirty production, they get the clean energy... And the ministry gets hard currency?

[Bushuyev] There is another alternative for power industry workers, in fact for all of us: economic cooperation with regions in the interests of each party. The sector's freedom of action must be clearly limited to regions' requirements. The geography of new power projects must also be defined, as well as a system of differentiated payment for the industry's product.

The payment is now uniform. It is arbitrarily defined by the center, and is thus illogical. For example, rural residents pay a kopeck for a kilowatt, which has no relation to production cost. Having impoverished the power industry workers, the government considered it necessary to create a type of subsidy for the village. But the village unexpectedly ended up impoverished as well. So much energy went to it (cheaply!) that the old power systems could not withstand the extreme overload, and started to break down. So villages now sit without any light at all, and what are villages but whole agricultural regions...

It's time to understand that energy costs exactly what it costs. Its price must depend on expenses and on the quality of the product which the public obtained from the industry. Let's say that in the Ukraine they want TETs' [heat and electric power stations], and only gas-fired ones. But there is no gas there; it is brought to the shores of the Dnieper from Siberia. In other words, the dirty production is in the north, while the clean product is received in the south. This means that for fairness' sake the payment by the two sides should not be identical. It should be substantially higher for those users who do not live next to a gas field. But this must be decided not "from above," but together with the municipal authorities, with the Soviets.

[IZVESTIYA] We are now using the words "market," "market relations" for every reason. And often without reason. Yet even so, in what you say it would seem more proper to use words such as "bargaining," "deal," "agreement" in place of the words "cooperation of the sector with a region," meaning an agreement dictated by the price of land and energy, and by taxes. And in place of the present primitive scheme in which the state pays itself for energy, there should be multichannel market interconnections.

[Bushuyev] You're right. Here is a simple example from Western experience. Dunkirk, France has not only a nuclear power plant, but also a large port and heavy industry. But the residents do not complain. The owner of the land in Dunkirk is the city itself, the municipality. In selling a piece of its land to the government or to a private entity, it requires a report from the new owner on what it intends to do with the property. Sometimes it agrees, sometimes it doesn't. In accepting a large enterprise in its region (to which it has agreed), the city increases its wealth: taxes are collected from the new property. And in addition, enterprises pay it for the use of water as well, and pay fines for violating environmental standards... The city gets wealthier. This enables it to take care of ecological and social needs. The city builds houses. There are many schools in the city. There are beautiful swimming pools, tennis courts, health centers. In sum, there is well-being, built on a basis of sensible laws, on clear relations among various types of property.

We have proposed something similar: that enterprises pay for their funds. But the government wanted to get this money itself, from itself.

[IZVESTIYA] That's understandable. You are running into the absence of a Law on Property. But let's look at the draft of a promising power industry program. Its discussion is beginning in the Supreme Soviet. What are its basic ideas?

[Bushuyev] The drafters started from the level of energy supply necessary for people's living standard to be raised to a certain level. I think the media should make the general public aware of this. It is very important that energy producers and consumers move towards each other, and understand that their interests coincide; the country has no chance to survive if the power industry collapses.

But the "greens" are proposing that we do not improve our technical policy or raise the reliability and safety of the power system, but simply strangle it. In letters, meetings and declarations there are demands to shut down the largest new plants. This will reduce the country's power supply by 160 million kilowatts. Exactly half of what there is now. But we need to increase it by exactly that much.

[IZVESTIYA] Those 160 million are needed by some 50 huge industrial centers, such as Novosibirsk. But maybe it's not a question of leaving residents without light? Maybe 160 million are just those kilowatts which could be freed up by conversion. Or the same amount lost now through our wasteful use? What does the draft say about that?

[Bushuyev] Unfortunately, the drafters did not address the issue of energy use. And that is understandable: it's hard for the new program to be more economic—excuse the tautology—than the economy itself, all our economy as a whole. And it continues the policies of Minenergo. And one other large oversight. The program has not been

coordinated with another important draft, that of the union program for efficient use of resources and protection of nature.

With us, some are worried only about nature, others (quite different people) are only concerned with the social sphere, and yet others with industrial development alone. Nothing is coordinated! In both life and management.

[IZVESTIYA] And one other important aspect, the relation between the power industry and politics. The draft continues the logic of development of the power industry by a single government. But what is happening in the government? Because of the authoritarianism of the sectors, each republic wants to save itself. How can this be reconciled with the "powerful" nature of the power industry?

[Bushuyev] As I understand it, the attempts by republics and regions to become independent must end in local authorities' desire to accept responsibility for the public's standard of living. In particular, for the energy supply in their region. But this is impossible to do alone. The links in the Unified Power System are defined by nature itself. We kill a living organism by dismembering it. Here is an example: on the Caspian, each of the republics with an outlet to the sea wants to get as many fish as possible, so that their neighbor will not get them. And in the end everyone loses. There are no less complex issues in the power industry. Where will this lead us? "Back to the cave?"

The "greens," and the power industry workers, and each region must see the full complexity of the task, which at first glance seems simple. If we don't learn this, nothing good awaits us.

Cost of Energy To Increase in Estonia in 1991

914E0029A Tallinn SOVETSKAYA ESTONIYA
in Russian 6 Nov 90 p 1

[Article by I. Lindsalu of ETA: "More on the Price Rise"]

[Text] Prices for shale, thermal energy, wood, and electricity will go up beginning next year. This was revealed at a government information hour for journalists yesterday by Environmental Minister T. Frey and Deputy Minister for Industry and Energy A. Hamburg.

The price of growing timber will rise most of all. One compact cubic meter now costs 3.6 rubles; in the future, it will be 13 rubles (for firewood) and 24 rubles (for valuable types of wood). The average price for shale will triple. The public will have to pay an average of double for thermal energy, and four kopeks per kilowatt/hour for electricity; this price will apply to everyone without exception. Economic organizations will also be placed under equal conditions next year and pay an average of five kopeks per kilowatt/hour for electricity.

Estonia's Winter Power Generation Capabilities Assessed

914E0029B Tallinn SOVETSKAYA ESTONIYA
in Russian 9 Nov 90 p 2

[Article by A. Semenov, deputy chief engineer of "Estonenergo" on Estonia's winter power outlook: "'Estonenergo' on Winter's Doorstep"]

[Text] Winter is generally a difficult time of the year for both people and the overall economy. But this is especially true for power industry workers, since all power plants, boiler houses and distribution networks are being used to full capacity due to the growth in demand for electricity and heat. Appropriate preparation is of course required for such maximum usage. How is the "Estonenergo" power system prepared for operation in the upcoming winter?

The main priority, of course, is to ensure that power plants and boiler houses are supplied with fuel. The republic's annual demand for fuel is about 23 million tons of shale, 435,000 tons of fuel oil and 300 million cubic meters of natural gas. Oil shale is basically produced in Estonia (only about 10 percent is supplied from the Leningrad oblast), but liquid fuel in the form of fuel oil is wholly supplied from oil refineries of the RSFSR, and natural gas comes from the Komi republic through the "Severnoye siyaniye" [aurora borealis] pipeline. As a rule, the use in substantial quantities of imported fuel oil and gas can create problems during severe cold spells due to the general shortage of such fuels in the USSR.

New complications have now arisen with respect to shale as a result of the decision of the Duma of the Ida-Virumaask uyezd not to allocate the land necessary for the eastern open pits of the "Estonslanets" production association. This will cause a drop in 1991 in the production of electricity at the Estonskaya GRES [state regional electric power station], the main electric power station of "Estonenergo," which ultimately will threaten the reliability of the republic's electricity supply. Even though all the power system's facilities currently have normal fuel reserves and their fuel-receiving and -distribution equipment has been adequately prepared for the cold.

Everything that works wears out; this is an axiom for energy workers as well. This means that preventive maintenance must be done to renovate equipment and keep it in proper operating condition. Our annual expenditure for capital repairs of equipment, buildings and structures is about 43 million rubles. In 1990 there was planned the capital repair of seven turbo-units with a total capacity of over 1000 megawatts, 16 steam boilers with a steam output of 4320 tons per hour, seven hot-water boilers with a capacity of 430 gigacalories per hour, and about 10 kilometers of heat-supply systems (calculated per single pipe). The planned volume of work was basically completed.

"Estonenergo" provides central heat to Tallinn, Narva, Kokhtla-Yarva and Tartu (the city center and the Anne residential district). Only large heat sources and main heat-supply systems are managed by the power system. But the reliability of heat supply also depends on the condition of the distribution networks and thermal power substations, which generally belong to local authorities. And here, unfortunately, all is not in order by far. For example, in Tallinn one-third of the thermal power substations have not yet been adjusted, which of course during severe cold affects the quality of heating; some buildings will be overheated at the expense of their neighbors where the residents are freezing. The Tallinn gorispolkom must immediately take the appropriate steps.

As to the main heat-supply systems, "Estonenergo" has 167 km of them in Tallinn; 62 km in Narva; 113 km in Kokhtla-Yarva; and 21 km in Tartu, for a total of 363 km. Of this, 120 km has been in operation over 20 years, while the condition of many sections is technically unsatisfactory. At least 10-15 km should be repaired annually with the line uncovered, but only five-six km are actually repaired due to a shortage of repairmen. The situation is aggravated by the fact that heat-supply systems lose money: with an average production cost of 7.58 rubles/gigacalorie, the rate is only 7.30 rubles/gigacalorie, resulting in an annual loss of about 2 million rubles. Obviously, such a situation cannot be allowed in a transition to a market economy, and republic agencies must intervene to solve the problem.

The power system's operation also has other substantial problems and "bottlenecks." For example, it is difficult to hire personnel for the Tallinn "Iru" TETs [heat and electric power station] and the Akhtmeskaya TETs in Kokhtla-Yarva because the pay is not competitive. There has also been a severe shortage of personnel at others of our enterprises recently: the pay is low compared with many sectors and cooperatives; working conditions are hard; it is impossible to recruit skilled specialists due to quotas and job qualifications established by local authorities. A new pay system is now being introduced in "Estonenergo" based on the republic's corresponding standard documents.

The electricity supply to the Saaremaa and Kihnumaa islands is not fully reliable, since a new 35 kW underwater cable has not been completed due to the inadequate and unreliable supply of cable, pumping equipment, sheathing enamel wire, pipeline reinforcement, lumber and much else.

Enterprises are checked each year for readiness to operate in winter conditions according to a procedure set by USSR Minenergo. Special commissions are created for this which follow a program approved by the ministry. All the electricity plants and electricity and heat systems have undergone such a check and been pronounced fit for the winter except for the Kokhtla-Yarva TETs and the Tallinn "Iru" TETs. The last deadline for being prepared is November 15.

Estonia's Energy Problems Viewed

914E0018A Tallinn RAHVA HAAL in Estonian
5 Oct 90 p 2

[Article by Enn Kallikorm, deputy director, "Eesti Energia" [Estonian Energy]: "Of Big Waste and Big Potential in Estonia's Energy Economy"]

[Text] Energetics is that branch of the industry upon which all others rest. Out of the total industrial funding for Estonia, 25 percent is invested in the energy sector. (Basic funding for the oil shale industry should also be included here.)

Over the first eight months of the current year, 176,159,700 rubles have been spent on the energy sector of Estonia. Consumption included 14.5 million tons of oil shale, 11,600 tons of oil shale oil, 275,400 tons of black oil, and 185.3 million cubic meters of natural gas. All of this has polluted the environment considerably.

As much as we recognize the risks associated with the production of energy, we also understand the necessity of having it. In the outside world, it has been found that having sufficient amounts of energy will improve the quality of life to the extent of making up for the undesirable effects of producing that energy. Even though this sounds reassuring, maybe we should still take a look at how the energy is distributed. Is it not turning out, perhaps, that some of us are doing the risking, while others are taking advantage of the profit.

Based on data obtained from the State Bureau of Statistics of the Republic of Estonia, industrial production for January through August of 1990 was down by 3,665.9 million rubles (or 1.5 percent), compared to the same period of the preceding year. Production went down for 114 enterprises (50.9 percent), compared to the previous year. At the same time, consumption of energy was distributed as follows:

	1989 (million KWH)	1990 (million KWH)	Growth/Percent
Industry	2,064.4	2,025.7	-1.9
Light industry	321.4	321.1	-0.1
Electrical railroad	11.4	11.3	-0.9
Streetcar, trolley	25.8	25.2	-2.3
Non-industrial (service, administration, etc.)	334.1	333.3	-0.2
Commerce	146.8	145.3	-1.0
Agriculture	1,201.1	1,213.9	1.1
Population of cities	416.0	426.4	2.5
Street lighting	36.3	37.7	3.9
Wholesale consumers	54.9	56.3	2.6
Energy system maintenance	25.5	26.3	3.1
Total consumption in Estonia	4,637.7	4,622.5	-0.3
Transfers to outside of Estonia	4,767.0	4,613.0	-3.2
Total	9,404.7	9,235.5	-1.8

Consumption of heat energy for the same period was 4,042,100 Gcal (3,977,400 Gcal in 1989), hence an increase of 1.6 percent.

The 1.5 percent decrease in industrial production and the 1.9 percent decrease in the industrial consumption of electrical energy should not be considered parallel—production has obviously decreased considerably more than figures indicate because of the compensating effect due to "regulation" of prices. The price of electric energy, however, has remained the same. Hence there is no incentive for the industry to curb its consumption of energy.

A well-known Finnish specialist in energy economy came to our song festival this summer. Caught up as he was in the emotions of our patriotic songs, he turned to me and said: "All of this is so uplifting and so natural, but you have no prospect of gaining independence. Or, if

at all, you'll have to make a serious effort to put an end to that senseless squandering. The losses caused by the wasteful use of energy are too big to be compensated by progress in other areas.

"People here say: we need outside help. Well and good, but pray tell me what market-economy country would be willing to give it to you if, even without any special analysis, it is obvious that you let yourself blow 200 million rubles without doing anything about it, and that in one area alone—energetics. You should start by coming up with a rational approach to consumption and then we can determine together, what kind of modern technology you need, then ... "

It would be necessary to monitor the ratio of energy production to energy consumption on a regular basis. Coming up with correct solutions is a concern shared by all members of the society.

FUELS

Ryabev Highlights Winter Fuel, Energy Preparations

914E0024A Moscow PRAVITELSTVENNYY VESTNIK in Russian No 45, Nov 90 p 3

[Article by L. Ryabev, deputy chairman of the USSR Council of Ministers: "Before the Cold Weather Sets In...."]

[Text] The preparation of the national economy for winter is taking place under difficult conditions. The general economic instability in the country, the violation of interbranch and republic economic ties, and the difficulties with the conclusions of agreements for 1991 are having their effect. We have not managed to stabilize the situation in the oil and coal industries and the arrears of electric and thermal energy are growing.

In September instructions were adopted concerning additional measures for providing for stable operation of the national economy during the fall and winter period. A number of operational measures are being taken to increase the extraction of fuel, to ship it and create reserves, and to improve the material and technical supply for fuel and energy enterprises, including through conversion of defense branches. Draft decisions and legislative acts have been prepared concerning questions of improving energy conservation, increasing the role of economic factors and incentives in branches of the fuel and energy complex, improving the system of prices and tariffs, and introducing new forms of management taking into account the transition to market relations.

In order to resolve issues related to the completion of the fiscal year and preparation for winter, operations groups have been created at the governmental level, in the permanent organs of the Council of Ministers and the ministries. Groups of leaders and specialists from Union ministries and departments are traveling to the regions that are causing alarm. They take on-the-spot measures and render effective assistance. In October, groups like this were working in Western Siberia, the Far East, Altay Kray, the Donbass, Kuzbass, the Northern Caucasus, and the Transcaucasus.

At the same time there are many problems that require special attention.

Above all, there is the provision of fuel. The overall supplies held by electric power plants and other consumers are at last year's level. More gas has been stored in underground facilities. But in a number of regions of the country, according to data of the hydrometeorological service, it will be a harder winter than the average over many years. Absolutely inadequate supplies of fuel have been stored up at electric power plants of Maritime and Khabarovsk krays and a number of regions of the Ukraine. Supplies of coal at enterprises of the Ministry of the Timber Industry, the Ministry of Heavy Machine Building, and the Agrokhim Association are below last

year's levels. The provision of metallurgical plants with coal for coking is especially bad: The supplies are half the normative amounts. Because of the shortages in the deliveries of high-grade coal and the poor work of the local fuel storage facilities and transportation services in a number of regions of the RSFSR, the Ukraine, Moldova, Azerbaijan, and Armenia, the population's demand for high-quality coal fuel is far from being fully satisfied.

The government has looked at all these situations and adopted additional measures for keeping them under constant supervision. For the future the USSR Ministry of the Coal Industry, Ministry of Metallurgy, and State Planning Committee are drawing up a program for the development of the extraction and processing of coking coal during 1991-1995, taking into account acceleration of the introduction at coke chemical plants of new technological processes for the preparation of the coal charge and production of coke that make it possible to sharply reduce the expenditure of kinds of coal that are in short supply. The Ministry of the Coal Industry and the Ministry of Railways have been instructed, in conjunction with republic organs and in the shortest possible period of time, to increase the delivery of coal from the market supply to regions that have fallen behind, including with Borlinsk, Maykubensk, and Kansk-Achinsk low-ash coals.

The strain on the fuel and energy balance can be reduced through more complete utilization of Ekibastuz, Podmoskovnyy, and other kinds of coal that are not short supply, as well as local fuel, and also stricter delivery discipline.

In our country, as we know, gas is an important kind of fuel. The deliveries of network gas earmarked for the population and municipal service consumers are being fulfilled. The number of apartments provided with gas will increase by more than 2 million. The government adopted a special decree for providing gas for villages of the non-Chernozem zone and other regions and for increasing the production of gas stoves, water heaters, and other household equipment that uses gas. But it far from being fully implemented.

In order to increase the reliability of the gas supply for the population during especially cold winter days, ministries and departments, republic governments, and local soviets have been instructed to complete the coordination of the schedules for changing electric power plants and industrial enterprises from natural gas to reserve kinds of fuel for the cold period.

This year there were complaints from the population about the interruptions in the supply of liquid gas, which caused the Western Siberia-Ural-Volga food conveyor

to shut down. The situation must be rectified before the end of the year. There will be increased rail deliveries of raw material for the production of liquid gas from Western Siberia and new capacities have also been assigned at plants of Astrakhan, Tengiz, Grozny, and Perm.

A difficult situation is developing with the supply of engine fuel for the national economy. Less automobile gasoline and diesel fuel will be delivered for production and operations needs than was delivered last year. But at the same time more of this fuel is being allotted to the agro-industrial complex and the market supply than in 1989.

In order to improve the supply of engine fuel for the national economy, measures have been taken for increasing the delivery of oil for processing at the expense of exports, and resources of automobile fuel from the reserve are being used. The Ministry of the Petrochemical Industry, and the RSFSR, Ukrainian SSR, and Azerbaijan SSR councils of ministers have been instructed to accelerate the startup of a number of complexes for deep processing of petroleum.

As usual, natural gas is not being utilized satisfactorily as engine fuel. Capacities created for filling automobile gasoline tanks are being utilized by one-third. Proposals have now been prepared for increasing economic incentives for expanding the use of this cheaper and ecologically purer kind of engine fuel.

Now about repair. As has been noted, scheduled repair of thermal electric power plants will be basically completed before 15 November, and power blocks of nuclear power plants, by 1 December. The Ministry of Power and Electrification and the Ministry of Atomic Energy and Industry have been shown the need for significant improvement of work organization, reduction of the time it requires, and significant improvement of quality.

In spite of the fact that the working capacity of electric power plants increased by eight million kilowatts as compared to the previous year, the electric power supply for the national economy will be strained. A shortage is expected in the Ukraine, the Northern Caucasus, Transcaucasia, Kazakhstan, Buryatiya, Chita Oblast, and the Far East. It was largely brought about by the closure and temporary dismantling of a number of electric power plants because of the demands of the community and the decisions of the local organs. Of the five blocks of nuclear power plants (five million kilowatts) marked for startup in 1990, only one has been put into operation—at the Smolenskaya nuclear power plant [AES]. Construction was halted in a very high condition of readiness at the Rostovskaya, Khmelnitskaya, and Zaporozhskaya AES's.

In order to improve the energy supply for regions of the Transbaykal area, Kazakhstan, and the Transcaucasian area, additional measures have been taken to accelerate emergency restoration work at the Gusinozerskaya and Azerbaidzhanskaya GRES's [state regional electric

power station] and the Ekibastuzskaya GRES-1, and also for the startup of the new power unit at the Krasnokamenskaya TETs [thermoelectric-electric power plant]. It is important before the end of the year to run 1,500 kilometers of 500-kilowatt power transmission lines constructed for intersystem transmission of electric energy in the Center, Kazakhstan, and Siberia.

There is serious concern about the reliability of heating supply systems. The majority of this business is decentralized and is under the jurisdiction of the Republic municipal services and enterprises under local jurisdiction. But as inspections have shown, many facilities that provide heat for residential buildings are not prepared for winter.

The preparation of boilers has deteriorated in the RSFSR, especially in the Udmurt ASSR and Magadan and Rostov Oblasts, and also in Azerbaijan, Moldova, Tajikistan, and Turkmenia. In many places they have not completed the adjustment and repair of heating networks. The Ministry of Power and Electrification is coping poorly with the repair of heating mains in Kuybyshev, Ulyanovsk, Penza, and Yaroslavl.

The preparation of housing for winter is not going well everywhere. There are significant arrears in Magadan, Sakhalin, Tyumen, and Chita Oblasts. The level of preparation of housing for winter is low in Latvia. There is much incomplete work in the Central Asian and Transcaucasian republics. An alarming situation has developed in Nizhny Novgorod, Vorkuta, Kemerovo, Pskov, and other oblasts. The quality of the preparation of housing and facilities for winter is poor in many places. The certificates of readiness are frequently perfunctory. In a word, it would seem that they altered the saying and are waiting until the freezing weather comes....

Energy conservation occupies a special place in the program for the preparation and work of the national economy during the winter period. There have been large overexpenditures of fuel and energy resources at enterprises of the metallurgical and chemical-timber complexes, in the agrochemical association, in the Uzbek, Kazakh, and Azerbaijan SSR's, in Volgograd and Perm Oblasts, and in a number of other oblasts of the RSFSR. The energy-intensiveness of industrial products in the country is still high, and it even increased by almost one percent in the first half of 1990 as compared to the corresponding period of last year.

Administrative management methods no longer work and the economic mechanisms have not been created yet. Therefore, we should accelerate the adoption of a law on energy conservation in the national economy. The draft of it has been prepared and sent to the republics and ministries for coordination.

Political stability in the country and strict fulfillment of the president's ukase on immediate measures for stabilizing economic ties during the fourth quarter of 1990

and during 1991, are of no small importance in providing for stable operation of the national economy during the winter period.

ELECTRIC POWER GENERATION

Prospects for New Nuclear Energy Reactors Assessed

914E0030A Moscow IZVESTIYA in Russian 3 Dec 90
Union Edition p 2

[Article by A. Kuvshinnikov: "The Energy Sector of the 21st Century Begins Today"]

[Text] Our country is fantastically rich in natural energy resources. Yet nonetheless, the USSR Academy of Sciences has concluded that in only 20 years our energy base will have to be totally changed due to the depletion of the existing base.

The solution is to search for alternative energy sources. There are not that many options, and in view of the lack of time we face there are in fact only two: nuclear or thermonuclear energy. It's a small choice, but life has narrowed it down as well.

The Chernobyl catastrophe has blocked nuclear power development and thus stimulated research in the field of thermonuclear energy. Given the fantastic nature of the idea—after all, this involves nothing less than creating a controlled model of the combustion of a star under earth's condition, which requires simulating cosmic processes—it is thermonuclear energy which today represents our best hope for an energy-sufficient and thus stable future.

And the first step on the path to this future has already been completed. In 1988, a basic agreement was reached between Gorbachev, Reagan and Mitterand for the USSR, USA, Japan and the European Community to begin, under the aegis of the International Atomic Energy Agency (IAEA), developing the draft design for the ITER international thermonuclear experimental reactor. It will enable a bridge to be built to industrial thermonuclear energy use as early as the first half of the 21st century.

An international group of scientists has been working intensively for three years at Germany's Institute of Plasma Physics in Garching, near Munich. The deadline for presentation of the design is December of this year, and we can already say that the agreement's mandate has been fulfilled (which does not always occur by far), and on schedule to boot (which is in fact a rarity).

The main task of the draft design stage for the reactor is essentially to define the ultimate goal of the overall ITER project. It is the selection of the objective which comprises the most difficult period of the work, the time of the sharpest conflict of interests and viewpoints. Overcoming this stage involves great effort at a frustratingly slow pace.

It is at this stage that scrupulous international experts' work is separating the efficient wheat from the randomly or deliberately introduced chaff. Multilateral international projects offer a major advantage here by eliminating games of competing interests and thus ensuring that the optimal options are chosen. Such a choice also ensures the efficient and economical expenditure of financial resources. International projects decisively overcome the mercantile contempt for money characteristic of our style of management.

What has the ITER given the Soviet Union thus far? Posing this question by itself is not entirely correct: it is unreasonable to expect an immediate return from a project aimed at solving a huge, complex engineering task. But our present daily life, full of unresolved problems, necessarily calls into question the advisability of many projects, even those which in principle are very important but which do not promise a quick and tangible return.

Valeriy Chuyanov, the director of the Soviet side of the ITER project, states that the ITER is the fabled door through which our country can enter the future with a stable energy supply towards which all mankind is striving.

A major trump card of thermonuclear energy, according to V. Chuyanov, is that even with today's technological base it is about 100 times less dangerous than nuclear energy. And it has the potential of being made absolutely safe, even in any emergency situations.

Taking into consideration such a potential of thermonuclear energy, it is extremely important that we develop it to the necessary level by that point in the near future when the entire concept of Soviet energy will have to be reviewed. But this requires huge material and intellectual expenditures. For our country alone, as for any other single country, they are practically unbearable.

On the other hand, participating in the ITER project enables us to join in the most advanced technical work. This is an effective method for entering world technology, and through it the world economy.

Participating in the ITER project opens up the possibility for making our industry competitive at the world level in the most advanced technological fields, such as superconductivity, electronics, charged particle beam creation, and production of new materials. In the main fields associated with the ITER we have a rather highly developed, internationally recognized scientific and technical potential. The ITER project will enable it to be brought up to the most advanced world level, according to V. Chuyanov.

The project will also make it possible to involve new engineering staff, the younger generation in work in the most advanced technological field. This will train a whole class of engineers who have grown up in and belong to a world technological culture.

Finally, the ITER is the first large-scale experiment in the practical use of a colossal amount of theoretical and experimental data acquired over more than three decades of research in the field of thermonuclear energy. The transition from accumulating scientific results to applying them to the solution of industrial or other economic problems is a sort of transition from quantity to a new quality. This will be psychologically, organizationally and technologically very difficult. The ITER shows not only what can be done in theory, but also how to do it, V. Chuyanov believes.

The first stage in implementing the ITER project has been successfully completed. What comes afterward? The next step will be completing the design of the reactor and conducting experimental design work to test it. Perhaps the main value of the initial design sketch already prepared is that for the first time it is based not on guesses or wishes, but on a reliable factual base combining theoretical projections with experimental data. Moreover, we already know how to design four-fifths of the reactor: 80 percent of the design work required to transform the sketch into a design has been completed already in various countries.

The design is projected to take five years, with the site for reactor construction defined and work on project licensing done in parallel.

It will then take another eight years to manufacture the equipment and prepare for experimental operation, which could begin in 2003 and last 18 years. The ITER reactor will be capable of producing a colossal amount of energy, but it is still experimental, designed for testing the basic structural elements and design features. But the reactor following the ITER should be an experimental-industrial one.

New Regulations for Nuclear Power Safety Viewed

914E0027A Moscow SELSKAYA ZHIZN in Russian
15 Nov 90 p 4

[Article by first deputy minister of atomic energy and industry V.A. Sidorenko: "Nuclear Plants: Double Protection"]

[Text] What is being done to raise nuclear power plants' safety and reliability? Judging from our mail, many readers are concerned by this question. At the request of TASS correspondent R. Ametov, first deputy minister of atomic energy and industry of the USSR, corresponding member of the USSR Academy of Sciences V.A. Sidorenko comments on new AES design and operation rules.

Above all, I want to note that we have assimilated domestic and world experience in new approaches to plant safety. The task now is to jointly work out unified and advanced requirements for the reliability of AES's being designed and in operation. There are over 400 of them in operation worldwide.

The new rules are aimed at comprehensively ensuring plant safety. I will dwell on only the main, fundamentally new aspects. For example, at present a designer during the plant design stage and an operator during his watch at an AES must consider and analyze unforeseen situations which can ultimately result in an accident. Previously, this was not given much attention. Why? Because there was a certain set of safety equipment which was supposed to immediately react to expected deviations in the reactor's operation. This is fine, of course, but as it turned out, it was not enough. Life showed that events at an AES can develop in unforeseeable ways as well. This happened first with the Americans, then later at the Chernobyl AES.

Some of the blame for these accidents lies with the operating personnel, of course. But they are not the main point here. The fact is that in an extremely critical situation the equipment did not function as expected, revealing hidden negative features in its "personality." That is why events moved in a completely unexpected and extremely dangerous direction. The new rules thus require that the AES designs include equipment which will help the operators intervene in unforeseen events and control the situation. This will help to resolve the ultimate task of lowering to a minimum any possible danger to public health and life.

Plant protection is being refined on a fundamentally new basis. At AES's under construction and in operation, whose closure is demanded by the opponents of nuclear energy, there is a massive structure for preventing radioactive matter from entering the atmosphere in the event of an accident. This is a dome of prestressed concrete with a steel jacket.

It would seem that there is no need for concern: the thick concrete and steel shell will not allow even the smallest dose of radiation to get out. That's what was thought before. The new rules stipulate that if something unexpected occurs, there must be backup equipment available to protect the dome from losing its hermetic seal, and even from being destroyed. Such a system could be called "a protection of the protection."

How will it function in the operation conditions of an AES? The dome withstands an internal pressure of up to five atmospheres. Let's assume that events develop in an unexpected manner. The pressure is growing rapidly and threatens to rupture the shell. To avoid a catastrophe, the operator will use the new safety equipment to reliably lower the pressure to the ordinary level. If necessary, he can turn on protective devices equipped with separate filters designed for such situations.

All the world's nuclear science and industry is now working on creating the "protection of the protection" system. The system includes previously unknown technology which we are developing in close cooperation

with specialists from France, Germany and other developed countries. After they go into production, AES's in operation and under construction will be equipped with them.

Ecological Implications of Expanding Armenia's Razdan Power Plant

91WN0078A Yerevan GOLOS ARMENII in Russian
18 Oct 90 pp 1-2

[Article by Candidate of Technical Sciences S. Minasyan, YerPI [Yerevan Polytechnical Institute] assistant professor: "Razdan GRES: Pro and Con"]

[Text] Today the Razdan GRES [state regional electric power station] provides almost 50 percent of the electrical energy produced in the republic, with the losses here constituting only 5.9 percent, as compared to the standard of 7.5 percent.

As a result of the sharp reduction in the production of electrical energy, partially as a result of the shutting down of the AES [nuclear electric power station], a large shortfall in electrical energy and capacity has been formed in the Armenian energy system. In order to cover this shortfall, it is necessary to activate additional capacities for producing electrical energy. An important reserve here is the expansion of the Razdan GRES.

However, the attitude toward this problem is diverse. There are proponents of expanding the GRES, and there are opponents. The editorial office has decided to give the floor to both sides. One thing is obvious: it is necessary at all costs to resolve this problem, since the republic today needs a continuous supply of energy.

To the Detriment of the Ecology?

The 11 March 1989 issue of IZVESTIYA printed a report concerning the results of a meeting between the USSR Supreme Soviet's Foreign Affairs Commission with parliamentarians from foreign countries. That report mentioned, among other things, the Union's state policy with regard to environmental questions and stated that "we must not develop the economy to the detriment of the ecology."

But in an article written by Armglavenergo chief F. Akopdzanyan (KOMMUNIST, 4 April 1989) it was emphasized in boldface type that the only—yes, only!—path for bringing Armenia out of its energy disbalance is to build up the network of thermal electric power plants.

But the Soviet Union is a member of the Thirty-Percent Club, which means that by 1993 we must reduce the amount of sulfur dioxide spewed into the atmosphere by almost one-third. Actually, however, it turns out that Armglavenergo and Minenergo [Ministry of the Energy Industry] are against the international and union program for the ecological improvement of the environment.

The author's logic is absolutely incomprehensible and unacceptable also from a purely mathematical point of view. While acknowledging that the shortfall of electrical energy in the republic comes to approximately 200 megawatts, nevertheless, for incomprehensible reasons, Armenia intends to create capacities that are 15 times greater than needed: the Razdan GRES, 1200 megawatts; the Yerevan TETs-2 [heat and electric power station], 750 megawatts; the Oktemberyan TETs (a redesigned AES), 600 megawatts; GAES, 800 megawatts; and dozens of small GES [hydroelectric power station] with a total capacity of 300 megawatts, disregarding the non-traditional sources of electrical-energy production. And all this is with a planned introduction of less power-intensive technological schemes in the national economy! In a word, the republic needs 200 megawatts, but the intention is to produce 3650 megawatts!

According to the author, the crux of the program for compensating for the shortage of capacities is, first of all, the expansion of the Razdan GRES by 1200 megawatts. Leaving mathematics aside, we would like to ask a more important question: to what extent is it economically "profitable" to ship in fuel from a great distance, and to contaminate the area's unique health-resort and therapeutic zone, in order subsequently to pump—with considerable losses—electrical energy to remote regions and neighboring countries?

One asks why a GRES could not be constructed close to the center of the energy system, right next to fuel sources (for example, in Grozny or Baku), thus precluding the expenses involved in transporting the fuel and the energy losses on the electrical-transmission lines. The detriment caused to the environment from the toxic emissions can be computed somewhat even now. But who will compute the damage caused to the health of several hundreds of thousands of people, and of our children who are staying at Young Pioneer camps or sanatoriums in Razdanskiy Rayon and neighboring rayons? Because human life and the nation's future do not have any price!

We are categorically opposed to expanding the Razdan GRES in the face of the present serious ecological situation that has developed in the rayon. We are opposed to a program that has not been substantiated from any points of view and that does not conform to the interests of the Armenian nation or the interests of perestroika. The expansion of the Razdan GRES is a continuation of the old course taken by USSR Minenergo in constructing gigantic projects.

In Canada, even before the receipt of authorization to implement any project—for example, the laying of a gas pipeline—a survey is conducted among the local population, and if there is a negative attitude the construction plans are either entirely rejected or are mothballed until they have been completely modified. Why not conduct this kind of survey in our own rayon, because our rayon is a place where residents in the entire republic come for rest and recreation.

According to the Constitution, the land, air, and water, and all of the environment belongs to the nation (and to that part of the nation that is residing in the particular sector of the environment), and therefore neither Minenergo nor Armglavenergo has the right to take a cavalier attitude toward handling our environment as though it were their own (departmental) property.

Today we must not repeat such mistakes and miscalculations as the construction of the Razdan Chemical-Mining Combine, the cement plant, the reservoir on the Marmarik River, the Armenian AES, or other similar projects. Let the experts cite facts proving to everyone that the expansion of the Razdan GRES will not harm the environment or people, and then they create capacities of a million megawatts if they want to. We raise both hands in favor of implementing ecologically clean projects (or those that fall within the admissible limits).

Proceeding from what has been stated, we make the following recommendations. First, we recommend holding a meeting with the participation of all the interested parties for the purpose of discussing the question of the desirability of expanding the GRES. Secondly, pending the making of a final decision, we recommend the temporary cessation of the construction of the power plant. Thirdly, we recommend creating a state commission to provide expert findings for the technical-economic substantiation (TEO) for expanding the Razdan GRES, with the participation of public environmental-protection councils and ecological groups. And, finally, we recommend conducting a public-opinion survey in order to make the final decision with regard to the power plant.

Razdanskiy Rayon Ecological Group

With a Thought About Nature

An extremely unfavorable situation has developed in our republic. The pollution of the air above Yerevan, Kirovakan, Charentsavan, Razdan, Alaverdi, and other cities gives specialists serious food for thought.

Despite the fact that the republic's Council of Ministers has taken radical steps to improve the republic's ecological state, a serious ecological situation has arisen in the city of Razdan. Here, alongside of the harmful production of cement, there is a very large-scale power plant for energy production, although one cannot fail to recognize the tremendous contribution that the Razdan GRES has made to the national economy during a period that has been so difficult for the republic. Within the next five years the capacity at the electric power plant will increase. In conformity with the plan for expanding it, provision is made for special ecological measures.

Today it is obvious to everyone that, because of the lack of resources, within the very near future we can expect an energy crisis. That crisis is already knocking on the door. As has been demonstrated by the sad experience of last winter, we must accept as our motto the principle "Energy today, energy now!" From this point of view,

the expansion of the Razdan GRES requires the shortest construction periods, as compared with other alternatives.

The Razdan GRES will burn only gas, which at the present time is the ecologically purest fuel in the world.

Emotional statements to the effect that the environment is being polluted and that it is better to use candles instead of electricity create, unfortunately, against the background of public opinion, considerable difficulties in performing work. The fact that, in the developed capitalist countries, the expenditure of electrical energy in everyday life exceeds by a factor of several times our own consumption, confirms the truth. It is necessary to think not about reducing the production of electrical energy, but of channeling all our efforts and knowledge into the use of the existing methods and the development of new methods for reducing the toxic emissions and for introducing modern, ecologically pure technological schemes for producing energy without waste products.

The decision that was made to expand the Razdan GRES with energy units that have a capacity of 300 megawatts each, that possess high technical-economic features, and that are equipped with a modern system for controlling the technological processes, is the only correct and intelligent decision at this stage of development of our republic's national economy. This guarantees a gas energy "intermission" that is so necessary to develop ecologically pure nontraditional technologies for energy production. These units have a greater capacity for creating the appropriate conditions and optimal operating modes for burning gas fuel (low-temperature mode), and for purifying the gases of harmful emissions.

In this direction a large amount of work is being carried out by the collective at Razdan GRES.

For example, on the initiative the power-plant leadership and the Southern Branch of the All-Union Thermal-Engineering Institute, by decision of USSR Minenergo, a special ecology laboratory has been created at Razdan GRES.

The questions that lie at the basis of its activities are the questions of monitoring the furnace gases and the purity of the atmosphere; the resolution of the technical problems linked with the assimilation and broad introduction of renewable natural sources of energy, including solar and wind energy, as well as research and introduction of systems for purifying the emissions and waste products of the thermal-engineering equipment, that guarantee their ecological purity. The laboratory also engages in problems of assimilating nontraditional methods for obtaining energy, that use heat pipes and bio-energy engineering, and in the development and practical application of technological schemes that store energy.

As of today, the laboratory is equipped with modern instruments for monitoring domestic and foreign production. Highly skilled specialists work here.

I would like to express my personal opinion concerning the judgments and conclusions of the Razdanskiy Rayon Ecological Group.

First of all, the statement concerning 3650 megawatts. Where does that figure come from? From newspaper columns with recommendations based on journalistic fantasies, or from other "sources." The set of capacities cited cannot be viewed as anything that will actually exist in the system either tomorrow or the day after tomorrow.

It is necessary to exclude from this list, if only for the next five or six years, a redesigned AES or GAES.

Can the ecologists answer the question as to where, when, and by whom an AES with a capacity of almost a million and with 15 years of work done was redesigned? Or shall we put our hopes on the Soviet "experience" of building a GAES as represented by the example of the Zagorsk power plant, that has been under construction for 23 years!

What, then, does the Razdanskiy Rayon Ecological Group propose? Building a power plant in Baku or Grozny and shipping the energy to Armenia! Are we really supposed to believe that people can reach such a degree of naivete in the present-day situation in which our republic finds itself? Or to put our hopes on the obsolete and rundown equipment at the Razdan GRES and YerTETs?

But this is similar to suicide. The rings on our gas hotplates are currently being extinguished, and we are talking about the ecology. Is it really important to a drowning person whether the water he is drowning in is dirty or clean? All the ecological computations made by the authors are acceptable and indisputable in any normally developing country. But we are living under blockade conditions, under conditions of economic and political chaos, and therefore the ruminations about the ecology have minuscule value if our children tomorrow will have to live under conditions that are far from comfortable.

The Razdan GRES must build up its potential by 500-600 megawatts within the next two or three years. This is an imperative of today. This is not a surplus. This will go to cover a shortfall that, incidentally, is considerably greater than is noted by the authors of the ecological letter, to supply energy to the currently inactive enterprises and housing sector in the disaster zone, and to conserve the worn-out equipment at the GRES itself, the resources of which will reach their limit within five to seven years.

The Razdan-Ankavan recreational zone is dear to each resident of Armenia. But the fate of Armenia itself has been placed on the other side of the scales. Why do we need specifically the Razdan GRES? Because, for ecological reasons, this is the most beneficial alternative—a well-developed infra structure, highly skilled personnel,

construction that has already been begun—and any attempts to put its construction in mothballs are evidence of incompetence.

I would like to say: listen to the discussions from high rostrums about Nairit and about the Armenian AES, and be realists!

Expansion of Kalinin AES Not Feasible

91P50035A Moscow *RABOCHAYA TRIBUNA*
in Russian, 11 Oct 90 p 1

[Report by N. Chulikhin, *RABOCHAYA TRIBUNA* correspondent reporting from Tver: "Misgivings Confirmed"]

[Text] Tver—A state investigation of the ecological situation in the vicinity of the Kalinin nuclear power station has been completed.

Specialists, both scientists and workers, have confirmed public opinion about the impossibility of further expansion of the AES, since the station is already experiencing a lack of water for cooling the reactors and this is why the lakes adjoining the station are overheated. Although the station is built in an area where karst is known to form and is continuing to be formed to this day, the design plan does not contain countermeasures.

The economic aspect of the station's work also presents cause for concern. The two functioning energy blocks will not become profitable for 13 years, as foreseen in the design plan, and this might take no less than 20 years. Taking into account reconstruction work underway, the station may become entirely unprofitable.

The conclusions of the state commission give cause for the oblast soviet to discuss at its upcoming session the question of the discontinuation of financing and construction of the third and fourth blocks of the Kalinin AES.

Construction of Thermal Power Station in Moscow Green Belt Hit

91WN0049A Moscow *TRUD* in Russian 28 Oct 90 p 2

[Article by Yu. Sysoyev, member of the Moscow State Expert Board, and L. Shekhova, Mossovet deputy: "The Green Belt Is No Place for a Thermal Power Station"]

[Text] During the expert study of the Severnaya TETs [Heat and Electric Power Station] project, planned for construction in the green belt near Moscow, the commission of 49 people was divided into two groups. The first was represented by leading officials of the USSR Minenergo and Mosenergo, which also made the decision to build it. The second was independent. As a result, two directly opposite conclusions were submitted to the Council of Ministers: it is easy to understand who sent which precisely.

However, the conclusion of the group of independent experts was immediately called unfeasible and even harmful. The Council of Ministers, having not refuted either conclusion, is now trying to create yet another commission, which will be instructed to advance "new ideas" on the progress of the project. It goes without saying, the most active role once again belongs to the inspirer of the project, Yu.K. Semenov, USSR minister of power engineering and electrification.

At a meeting this August with L.D. Ryabev, USSR Council of Ministers deputy chairman, it was noted: "...we must conduct a careful study of the thermal balance in the cities of Moscow and Mytishchi in 1991-1995 and in the period until the year 2000, and of the balance of electrical power in Moscow Oblast." In this regard, let us recall that the Severnaya TETs is being built on the basis of a resolution by the Union Council of Ministers: "On Measures for the Further Development and for Increasing the Reliability of the Moscow Power Supply System in 1986-1990," adopted six years ago. It calls for eliminating the heat shortage in a time period that has already expired. However, the city has managed very well in this period even without the Severnaya TETs. Apparently, first we should build the TETs, and later we should determine whether or not it is necessary?

Now, it has been decided to conduct an international expert study with the assistance of a foreign firm, operating within the framework of the joint Soviet-Finnish-West German enterprise "Ekologiya, Energiya, Inzhiniring." The estimated cost of this expert study is 50 million hard currency rubles. Are there really no knowledgeable specialists in Moscow itself? Or are their opinions simply inconvenient for the inspirer of the project? Meanwhile, the representatives of the foreign firm are interested in selling their catalyzers for cleansing exhaust gases of nitric oxides, and it is therefore easy to predict the results of such an expert study (the price of one catalyzer for a 250 MWatt block is 10-15 million hard currency rubles).

Moreover, in particular, the RSFSR Land Code, which prohibits the construction of a TETs in a green belt, is being violated. Its construction will cause a whole series of negative consequences. Implementation of the project will lead to the massive development of the green belt from Mytishchi to Dolgoprudniy. In practice, this means fulfilling the general plan for the development of Moscow and Moscow Oblast in the period until the year 2010, which a USSR Goskompriroda expert commission has already rejected. Finally, the TETs "entails" the construction after 1995 of the Rzhev water power development, the water for which will be taken from the Upper Volga. Considering that at the present time the balance of the Volga is negative, this will involve implementing yet another "project of the century"—redirecting part of the flow of Northern rivers into the Volga.

As everyone knows, the Mytishchi City Soviet passed a decision to halt the construction of the Severnaya TETs,

which was supported by the Moscow Soviet, the soviets of the Babushkinskiy and Kirovskiy rayons of Moscow, and the Kaliningrad City Soviet. On 12 March 1990, 112 USSR people's deputies sent an inquiry to N.I. Ryzhkov regarding the worsening of the ecological situation in Moscow and the Moscow area, the need to preserve the capital's forest and park belt, and on halting the construction of the TETs, along with an urgent request to start solving these problems and to name the parties guilty of "disrupting the USSR Council of Ministers resolution: 'On Measures to Preserve Losiniy Island.'" To this day, no response has been received.

Expressing the will of the voters (more than 300,000 residents of Moscow and the Moscow area signed a protest against this construction), people's deputies at various levels have declared: "No to the Severnaya TETs!"

Let us note that the most urgent problem in Moscow is pollution with nitric oxides, the basic source of which is power engineering. Meanwhile, not one of the 14 Moscow heat and electric power stations is operating within the permissible standards or even has somewhat realistic plans for achieving these standards. Therefore, construction of the Severnaya TETs should at least be substantiated by legal, ecological, and power and economic norms. Alas, this is not so.

Furthermore, the USSR Council of Ministers in practice has made financing available for a construction project without ecological expert analysis, violating its own resolution: "On Strengthening the Role of Expert Study for the Construction of Large National Economic Projects for Purposes of Preventing Negative Ecological Consequences." If the TETs is really necessary (which still remains to be proven), then at least it should not be built in the green belt, but a distance of 30-40 kilometers from Moscow.

PIPELINE CONSTRUCTION, OPERATION

New Gas Pipelines Planned

914E0011A Moscow GAZOVAYA
PROMYSHLENNOST in Russian No 9, Sep 90 pp 2-3

[Article on two new gas pipelines to Belorussia and the Ukraine: "New Gas Arteries to the Disaster Areas"]

[Text] Russia's Nechernozemye (Non-Black Earth region) has been transformed into an area of catastrophic backwardness for many years. The Ukraine and Belorussia have become a disaster area for several years. From the power industry standpoint, these two dissimilar regions are joined by a common acute need for natural gas. But if the villages of the Nechernozemye need this type of fuel for their development, the republics need it to save lives. Local fuel resources irradiated by Chernobyl radiation have been transformed into

lethally dangerous fuel for household stoves and communal boilers. Each household heated with local wood threatens to become a personal mini-reactor: that is how high the concentration of fatal radiation dosages is in the area. Natural gas, free of plutonium, is the most advantageous energy alternative for the suffering regions.

It is not difficult to understand the feelings of the scientists and experts in the "Gas Transport, Distribution and Use" section of the Scientific and Technical Council of the "Gasprom" firm. They met to discuss the basic technical features of the SRTO-Nechernozemye and SRTO-Torzhok two-line gas main systems. If the first system speaks for itself, the second will enable gas to be supplied to the regions of Belorussia and the Ukraine suffering from the Chernobyl catastrophe.

The basic design features of the new gas lines were worked out on a competitive basis by the "YuzhNILgiprogaz" and "Giprospetsgaz" institutes in accordance with the "Assignment to Develop a TEO [feasibility study] to Build the SRTO-Torzhok, SRTO-Nechernozemye System of Gas Mains."

The materials presented to the section laid out the design and technological features, as well as the set of measures to protect the environment from the effects of the gas transport system's facilities.

In reviewing their content, which encompasses all stages of development of the design proposals, it should be noted that they fully analyze the future territorial distribution of the production and consumption of gas in connection with the optimal strategy for developing the structure of the YeSG gas transport network.

The viability of multiple-line gas transport systems is considered, and recommendations are given on operation considering the development of large-scale "cascade" accidents.

At the same time, metal- and energy-saving versions of the gas line being designed are also provided. As to NTP [technological planning standards], the institutes extensively applied new design features. For example, YuzhNILgiprogaz: pipes with high ultimate strength and factory insulation; high-efficiency GPA [gas pumping units], GPU-16 a, GTN-16M, GTN-25-1; above-ground laying of industrial pipelines with new designs; anti-scale equipment; a continuous purge system. Giprospetsgaz: a wide range of both general- and special-purpose GPA; a "Doza" type water treatment installation; turboseparators for scrubbing the gas; a unitized electric heating system; an "Etan" type electric battery system; laying cable in plastic pipes; wind energy equipment, etc.

In addition, the section looked at the institutes' omissions. For example, a shortcoming of the diagram for the gas pipeline on the Ukhta-Torzhok section recommended by YuzhNILgiprogaz is the technological ineffectiveness of the construction and maintenance related to the presence of loopings on all the sections; in the Giprospetsgaz design, it is low reliability at operating

flexibility in the work of the second line of a gas pipeline with single-workshop KS [compressor stations].

The institutes did not provide a justification for the amount of gas release considering future gas flows and the technical possibilities for loading old gas pipelines after reconstruction.

The main part of the gas pipeline from the Kharvutinsk field was designed differently by Giprospetsgaz and YuzhNILgiprogaz. Both designs have their drawbacks. Giprospetsgaz's design requires construction of SOG [expansion unknown] at the Kharvutinsk field, and correspondingly substantial capital and operating expenses. YuzhNILgiprogaz's design contains two very complex connection units, reducing the system's reliability. The environmental protection section and several others are not fully developed.

Nonetheless, the council's section, after considering the experts' reports and presentations, approved the basic design of the two-line SRTO-Torzhok, SRTO-Nechernozemye gas mains, based on the fact that both institutes' designs used modern technical information and correspond to advanced domestic technology.

The recommendation was made to use the work of the YuzhNILgiprogaz institute as the foundation for further design of this gas pipeline system, supplemented with progressive features of the Giprospetsgaz institute's design.

The YuzhNILgiprogaz institute was proposed as the lead designer for further design of the system, with Giprospetsgaz as a subcontractor design organization.

The route chosen by both design institutes should be used: SRTO-Nadym-Peregrebnoye-Ukhta-Torzhok. It was recommended that the following solutions be used in the succeeding design stages.

For the design of the gas transport:

- on the SRTO-Ukhta section, use the proposed version with the construction of two lines with loopings and placement of compressor stations on all sites;
- on the Ukhta-Torzhok section, lay two continuous lines and build compressor stations based on the optimal load of the gas pipeline system designed, allowing for future replenishment by Yamal gas. As the first stage should be the volume of construction of the line portion and the compressor stations accounting for gas release and incomplete loading of the system (until receipt of Yamal gas).

For the design of the overall plan and the GPA binding:

- provide for the solution with underground situation of the DU-1000 mm header of the compressor workshop with situation of the gas AVO [multimeter] and the dust traps on a separate site behind the circular roadway on sites of the "Tyumentansgaz" PO [industrial association];

—on one of the compressor stations, provide on an experimental basis the configuration of the basic compressor station equipment with the gas multimeter located over the reliable KT's (expansion unknown) headers for use (given positive results) on compressor station sites with complex geocryological conditions; in particular, on the compressor stations of the Yamal-West gas pipeline system.

The section also proposed that the "Soyuzgastekhnologiya" NPO [scientific production association] together with the YuzhNILgiprogaz institute in the later design provide a detailed substantiation based on materials of the Long-Term Development Section's analysis of the raw materials base for the SRTO-Torzhok and SRTO-Nechernozemye main lines, taking into consideration its supply to the entire system of gas main lines from Western Siberia.

To coordinate the future development of the YeSG, it was recommended that VNIEGasprom, together with YuzhNILgiprogaz, also work out in the feasibility study of the SRTO-Torzhok and SRTO-Nechernozemye gas pipelines the direction of the gas pipelines from Yamal, considering:

- the advisability of building six lines given the four existing ones and the two proposed in the feasibility study;
- the advisability of sending Yamal gas through Ukhta to Kirov and further on to the Volga regions;
- the need to maintain a high load on the systems of the Tyumen gas pipelines given a reduction in future gas transport from the SRTO.

Among other proposals of the section, there is reflected the need to coordinate the features of the systems being designed with the designs for reconstruction of existing gas pipelines in places where they are parallel to each other; consideration of the introduction of an experimental steam and gas unit at the "Privodino" compressor station; use of Puginsk underground gas storage. As to the ecological shortcomings, all the environmental protection measures, allowing for the construction stages and long-term operation of the line, must be worked out in detail.

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Ufa Pipeline Accident Commission Findings Criticized

914E0019A Moscow TRUD in Russian 16 Nov 90 p 2

[Article by S. Abdulin, deputy chairman of the Association of the Victims of the Asha Catastrophe and their Relatives: "The Ashes of Asha," subtitled: "Many of Those Responsible for the Tragedy Will Probably Go Unpunished."]

[Text] The USSR Prosecutor's Office has finished its investigation into the accident on the Western Siberia-Ural-Povolzhe pipeline, which occurred on June 4, 1989 and resulted in the deaths of hundreds of passengers on the two trains. Lawyers from Novosibirsk, Omsk, and Chelyabinsk as well as victims have familiarized themselves with the materials of the criminal case. The initial positive impressions from the numerous documents have changed into a feeling of disappointment upon a closer study of the 158 volumes of the case.

Up to a certain point, we believe the work of the investigative group headed by V.A. Lysenko, senior investigator for especially important cases with the USSR Prosecutor General, went in the right direction. Based on the documents, the proposal was made to bring charges against a large group of people responsible for the catastrophe. But later, a decision was made unexpectedly to halt the criminal proceedings against most of the people. The investigation focused only on the builders.

The case materials convincingly demonstrate massive violations in building the pipeline, deception, and padding, making it possible to make large sums of money for incomplete work. The water insulation was not done normally, and in places the insulation is completely absent. On open sections, pipe embankments and soft cushioning was absent, and this on rocky ground, where under the black earth there are only rocks. And although all this work was specified in the design and estimates, in fact it was not fully performed.

The investigative group "closed its eyes" to the facts uncovered and, in our view, did not conduct a full and objective investigation, as required by the criminal procedure code. We learned from the case materials that the basic goal of the construction of this product line, which is very dangerous for all living beings, was for USSR Minneftprom to obtain hard-currency rubles in the shortest possible time. And despite the fact that Glavgosexpertiza [Main State Expert's Evaluation] of USSR Gosstroy [State Construction Committee] did not give its permission to build this main line and recommended to USSR Minneftprom that a series of measures be adopted that would eliminate its danger, the ministry took its calculations to the national Council of Ministers and convinced it of the advisability and economic benefit of building it without meeting the Glavgosexpertiza's requirements.

The design of the product line was done by the senior design engineer of the "Giprotuboprovod" institute, A. Gulko, and the senior design engineer of the VNIPIgazpererabotka institute, M. Dubinskiy. There is no doubt that they knew of the properties of the condensate that would go through the pipeline, but they did not take the necessary safety measures at the design stage. As a result, the design and construction were performed according to the SNiP [Construction Standards and Regulations] for

ordinary gas pipelines, which placed in danger everyone living in the area of the future main line. But even this was not enough!

On June 20, 1983, deputy minister Sh. Dangaryan, adopting the decision: "On Removal of Telemetry and an Automatic Control System From a Product Pipeline," sent an appropriate notice to designers, customers, and builders. All the standards and rules of construction, which already did not meet product pipeline safety requirements, were violated in the most serious manner. In brief, almost six years before the tragedy he signed the death sentence of completely unsuspecting people (including some not yet born at the time), who burned to death as a result of the fiery disaster.

Such a serious charge is confirmed by the conclusion of the experts, which states that "the presence on the line of telemechanics and an automatic control system would not have prevented the pipe from rupturing during use, but would have prevented its tragic consequence." The operators at the compressor stations would have noticed product leakage on their instruments and warned the railroad to stop train traffic on the danger section in time.

A. Gulko and M. Dubinskiy were among those who agreed with Sh. Dangaryan's decision and signed off on the design without telemechanics, an automatic control system or communication cable. In other words, in essence they knowingly made the design more dangerous. Yet in marginal notes both observed that "the design has been completed observing the standards..." Neither Gulko himself nor the representative of the supervisory office of the "Giprotuboprovod" institute, V. Aminov, monitored the progress of construction. The inspection log was missing in the criminal case materials. Gulko stated that "the notebook was lost."

This lack of supervision led to massive violations of the SNiP during the overall pipeline construction. Because of it, for 1987-1989 there were 113 shutdowns, of which 52 were due to accidents and failures. At one time, V. Smirnov, an investigator with the Tyumen prosecutor's office, conducted an investigation of shortcomings in the work of the pipeline allowed during construction. He sounded the alarm in 1986, but departmental interests and ambitions were stronger than common sense and human judgment: the investigation was halted.

For the safety of the residents of the Sredniy Kazayak population center, from which the pipeline was initially to be laid within 400 meters, there was a "rerouting assignment" signed by A. Gulko and approved by the senior engineer of the "Giprotuboprovod" institute G. Vdovin on February 19, 1985. When the rerouting was done around the Zmeynaya mountain, the builders were supposed to test the section in the presence of the purchaser and a representative of the designers. But they simply ignored this.

And what about the investigative bodies? Nothing! The investigation has no problem with Dangaryan, Gulko,

Dubinskiy and Aminov, since the elements of a crime were not discovered in their "actions." They are not within the investigation's jurisdiction.

The criminal case was also dropped against the chairman of the government inspection commission, at that time the head of the "Soyuzneftegazpererabotka" VPO A. Smirnov, the director of the "Nefteprovodmontazh" trust (which built the fatal section) A. Maksimov, the head of the Almetevsk Administration for Main Product Pipelines (the purchaser) A. Gayazetdinov. The investigative group, relying on the Decree of the Presidium of the USSR Supreme Soviet of June 18, 1987 "On Amnesty in Connection with the 70th Anniversary of the Great October Socialist Revolution," relieved these persons of criminal liability because they have state medals. They were protected by their awards, including those received for building that very same pipeline. And they kept them. As if it was not them who laid the groundwork for the tragedy with their careless actions, signing the documents for the acceptance and inspection of the pipelines in order to report more quickly to the government. But the grave consequences and the death of people, for which Art. 172 of the RSFSR Criminal Code stipulates liability, went into effect in 1989, after the decree. Can this fact alone remain unpunished? Can it really be that for a mass murder (even unintentional) a person can wear the medals of the country whose people he has killed?

At the Ufa airport on June 4, 1989, M.S. Gorbachev stated to correspondents: "...tragedies are occurring in our country with painful frequency, and this tragedy is terrible. That is why we must investigate and absolutely and severely punish those responsible..."

In the name of all the relatives and friends of those who perished and suffered in this catastrophe, I appeal to the President of the country, the Presidium of the USSR Supreme Soviet and the USSR Supreme Soviet with the demand that the above-named persons be stripped of their honors and brought to justice! After all, they received their awards for this "shock junk."

The criminal case files contain the "Act on the Product Line Inspection" signed by members of the government commission headed by A. Smirnov on December 30, 1985, with judgments of "good" and "fully completed." But this is absurd! How could they accept it if the product line had already been in operation since September of that year? On October 2, the deputy chairman of the USSR Council of Ministers, now deceased, B. Shcherbin, sent a telegram with the demand that the line be started up (as an exception). The commission members closed their eyes to the fact that there was no communication cable, no telemechanics, no automated control system. Yet each member of this state commission was a specialist in his field, and each was responsible for a certain area corresponding to his competence. But they all represented the organizations and institutions which built the pipeline. And at the time when it was approved they lacked the civic courage to point out

the incomplete work. Remaining a product of their system, they essentially took advantage of their official position and behaved negligently towards the inspection.

Unfortunately, the investigative group did not label these actions by the state commission as criminal either.

Much is now being written and said about incidents of vandalism in the not-too-distant past. About soldiers who died in the war whose remains are still lying under open skies. About those repressed whose remains are being taken from mines and buried with honors. We hear all this with a feeling of deep sorrow and indignation towards the Stalinists. Yet how should we look at the personal instructions of the chairman of the government commission to eliminate the effects of the Asha catastrophe. G. Vedernikov, under which last June 4 tractors were sent to the railroad bed to push over wagons still containing the bodies of victims? In order to quickly restore interrupted train traffic, they tore up and mutilated bodies, ground up the bones of those who died, the remains of those who could not be recovered. And all this again for the sake of a report: "The main line is in operation. Everything is in order!"

This is not an unsubstantiated statement. Materials exist which confirm such facts. A few days after the relatives' demand, a second investigation was conducted at the disaster site and remains of victims were found. It is not surprising that after these events G. Vedernikov was sent further from his sin—abroad.

In many cases, committing vandalism and desecration of the bodies of victims is a criminal offense. Unfortunately, we have no such law yet. But we demand that charges be brought against G. Vedernikov; if not criminal charges, then at least party ones.

Unfortunately, our country remains far from the concept of a law-based state. And therefore, for all tragic incidents which have occurred in our country in recent years the criminal responsibility is born by the "switchmen," and then not completely. While the high officials are safely protected by our "just" law.

The criminal case files are absolutely lacking medical conclusions, which could reveal the types of disabilities of the survivors. For example, there is no such conclusion for Lena Dubinina. She was given a certificate for a childhood disability. And there are many such scandalous cases. Most of the victims of the Asha disaster lack a record of how they received their injuries.

There is clearly inadequate work on the part of the investigative agencies. But is this simply "incomplete" work? I don't know.

Now, when Russia has proclaimed its sovereignty, I and my comrades are confident that the guilty parties will be tried in the republic's highest court. And it must be so, since the tragedy occurred in the territory of Russia. The

appeals of lawyers and victims have been sent to the investigative agencies, the leaders of the nation and of Russia.

We are driven not by a thirst for revenge, but by a thirst for justice. And by the desire that such an event never happen again.

S. Abdulin, deputy chairman of the Association of the Victims of the Asha Catastrophe and Their Relatives, Chelyabinsk.

Improving Gas Supply, Pipeline Safety

914E0008A Moscow STROITELSTVO
TRUBOPROVODOV in Russian No 8, Aug 90

[Article by E.L. Volskiy of the "Gazprom" firm: "Raising the Efficiency of the Country's Unified Gas Supply System"]

[Text] The gas industry is an important sector of the fuel-energy complex, and the most dynamically developing one. In the last ten years, the country's gas output has approximately doubled.

The workers of the gas and construction sectors have attained unchallenged successes, quickly laying huge gas mains and developing new fields under complex natural and climatic conditions.

The distribution of gas output by the country's regions is as follows: the European regions (Northern Caucasus, Ukraine, Komi ASSS) provide 21.2 percent of total national output; Central Asia and Kazakhstan, 19.2 percent; Western Siberia, 58.5 percent. In the foreseeable future, almost all the growth in the country's gas output will be provided by the Western Siberian region, which also largely determines the direction of gas flows and the nature of development of the country's entire gas supply system.

In the structure of gas consumption, the largest share belongs to electric power (including industrial enterprises' own electricity stations), 54.3 percent; industry, 32.6 percent; the household sector, 13.1 percent. For comparison, data of the USA can be cited: the proportion of electric stations in gas consumption is 18.1 percent; the household sector, 40.4 percent. The proportion of industry in the total volume of gas consumption is about the same as in the USSR.

In the USSR, natural gas is used to produce 93 percent of pig iron, 59 percent of open-hearth steel, 49 percent of rolled ferrous metal, 94 percent of iron ore pellets, 71 percent of cement clinkers, 89 percent of sheet glass, 38 percent of bricks, 45 percent of prefabricated reinforced concrete, 90 percent of ammonia, 45 percent of electric energy, and 47-57 percent of thermal energy.

Natural and compressed gas are used by 84.8 percent of the population, although the level of gasification differs widely by republic. The highest degree of use of natural

gas is in Azerbaijan, 69.3 percent; Armenia, 56.5 percent; Uzbekistan, 45.4 percent; the Ukraine, 44.2 percent. Kazakhstan has a low gasification level with 14.1 percent; Kirghizia, 15.6 percent; Tajikistan, 16.3 percent. There is a serious lag in the level of gasification of rural areas; it is presently only 5-7 percent.

The Unified Linked Gas Supply System (YeSG) has been created, ensuring gas supply to all the country's economic regions and for export to European countries. The main gas lines exceed 206,000 kilometers. Large-diameter gas lines (1220-1420 mm) account for some 120,000 kilometers, or 57 percent.

In its structure, the USSR's YeSG consists of transit and distribution gas lines and technological connectors, which with centralized dispatcher control enable gas flows to be maneuvered based on actual gas consumption conditions formed by climatic and other factors.

The draft of the USSR Energy Program currently being developed provides for further growth in gas output over the long run. In particular, in one version the gas output levels amount to: by 2000, 1070-1120 billion cubic meters; by 2010, 1200-1260 bcm; by 2030, 1330-1400 bcm. Since almost the entire increase in gas production must come from fields in the northern Tyumen oblast, the average distance of transport is increasing. The proportion of gas in the country's fuel-energy balance is increasing; consequently, the gas industry's responsibility is growing for uninterrupted fuel supply to the economy. All this requires further development of the underground storage of gas.

First of all, underground gas storage (PKhG) must fully regulate seasonal fluctuations in gas consumption so that main gas lines constantly operate at optimum loads. Periodically, winters are observed in individual years with abnormally low temperatures. During this period, if special measures are not adopted the fuel supply can be disrupted to both industry and residential units. Research has shown that in cold winters the additional gas demand amounts to 20-30 percent of the volume of seasonal fluctuations in gas consumption. Taking this into consideration, underground gas storage must provide an additional reserve volume of gas. Emergency reserves of gas are also required, as well as additional capacity to ensure reliable export deliveries of gas. Strategic reserves are required in case of interruptions in the development program of the fuel-energy complex. Based on these concepts, the firm "Gasprom" has developed a program for developing underground gas storage in the country.

The most important factor in the efficiency of the YeSG is the reliability and operating safety of main gas lines. The accident rate for gas pipelines during the current five-year plan is: 1986, 79 accidents; 1987, 91; 1988, 56; 1989, 66. Compared with the preceding period, the proportional intensity of accidents attributed to the length of gas pipelines declined somewhat: 0.32 accidents per 1000 km per year in 1989 compared to 0.58 in

1985. Such a drop results from the increase in recent years in the amount of repair and reconstruction work on gas pipelines, as well as the continued construction of new gas lines (on the order of 9,500 km per year).

Nonetheless, the current situation with respect to accidents should be viewed as extremely unfavorable. The average age of pipelines is approaching 15 years; over 40,000 km of gas lines have polymer film insulation which does not offer reliable protection of the pipes from corrosion during the gas pipeline's entire depreciation life. This can lead to a growth in the number of accidents.

An analysis of the reasons for accidents reveals the following. The largest number of failures in 1989 (17, or 25.8 percent) resulted from mechanical damage to the pipelines; the number of such instances more than doubled over 1988. This indicates poor monitoring of the protective zone of the gas line by the operating personnel. A large role in this was played by the reduction in the number of line inspectors, and the constant reduction in the quantity of operating services: in the last ten years, the total number devoted to product transport work dropped by almost two times, amounting in 1989 to 37.5 persons per 1 billion cubic kilometers. The line services must be strengthened. Our firm has decided to restore inspectors on the most important sections of lines. In addition, work must be done together with local soviet agencies to designate gas lines on maps and to renovate warning signs, to provide additional notification to the public and to all organizations regarding the location of gas lines, etc.

The number of accidents caused by external corrosion in 1989 was 11, or 16.7 of the total. This is lower than in 1988 (19 accidents, or 34 percent). For recent years overall, the accident rate from corrosion has tended to decline, since capital repairs of gas pipelines in the industry have been put on an industrial basis, and the necessary, well-equipped subcontractor organizations have been created; sufficient material and financial resources have been devoted to this work. Since 1971, 16,400 km of gas lines have been repaired; the repair rate is 1500 km per year.

Nonetheless, the problem of corrosion on gas lines remains acute. The scientific and technical commission chaired by academician Ya.M. Kolotyrkin has shown that the required level of anticorrosion protection of large-diameter gas lines is only provided if pipes with factory insulation are used. Several decrees of the CPSU CC and USSR Council of Ministers have been adopted on organizing the production of such pipes. However, not one of these decrees has been fully implemented. The Khartsyz and Volga factories of USSR Minmetallurgiy produce about 860,000 tons a year of pipes with factory insulation, which amounts to only 25 percent of the total volume of the domestic large-diameter pipe supply. And the quality of the insulation coverings leaves something to be desired; it does not meet the standards for adhesion stability, and peels off during pipe storage and operation.

The main method of passive protection of gas lines from corrosion is the application under line conditions of adhesive polymer tapes, primarily imported ones. About 30,000-35,000 tons of such tapes are purchased each year in capitalist countries for the construction and repair of gas pipelines. However, tape insulation, which moreover is not always well applied by builders, cannot provide the required level of anticorrosion protection and loses its properties in 8-10 years.

A negative factor is the low quality of insulation-installation work during construction. For example, at one section of the Yamburg-Tula gas pipeline system the protection level of the line was only 30 percent due to the poor insulation quality, even when all the cathode protection stations were turned on. Over 500 insulation damage spots were found on a 280-km section of the Makat-Chervlenoye gas line.

For our firm as a whole, the protection level from corrosion currently amounts to 94.5 percent. The cathode protection stations currently produced by domestic industry are of low efficiency; they have low reliability and often break down. Frequent electricity supply interruptions also have a negative effect on the condition of electrochemical protection.

The "Gazprom" firm is undertaking measures to fundamentally improve the situation in protecting gas pipelines from corrosion. Standards have been worked out for a new three-layer factory insulation covering which will be substantially more effective than existing designs. Together with institutes of the UkSSR Academy of Sciences, cold- and hot-application insulating tapes are being created which can maintain their protective properties for a long period of time. A high-reliability cathode station is being designed which should go into production in 1991. The Ural division of the USSR Academy of Sciences under a contract with "Gazprom" is creating independent current sources based on high-temperature fuel elements. Organizational measures are underway in all production associations to raise the degree of corrosion protection and upgrade corresponding services.

There were 10 accidents in 1989 due to low pipe quality, or 15.2 percent of the total. These were basically pipes from the Khartsyzsk, Chelyabinsk and other domestic factories. Only one accident occurred on an imported pipe. The reasons for the accidents are defects of a metallurgical nature: laps, delamination, faulty factory weld seams, poor thermal finishing of pipe ends, etc.

The USSR Ministry of Metallurgy and gas and construction workers still face much work to bring the quality of domestic pipes up to world standards.

There were 14 accidents in 1989 due to faulty construction and assembly work. Overall, construction quality remains low. Substandard work is allowed; pipelines are often laid not on the design checkpoints; the weighting loads and anchors are sometimes not installed in the design amounts; in several cases trenches have been filled with soil mixed with ice and snow. As a result, the

gas lines become buoyant during use; additional stresses appear, creating the danger of an accident.

Violations in welding work are particularly dangerous. There were 3770 joints welded by the resistance method by the Volgogradneftegazstroy trust in building the gas line branch to the Poltavka station. According to the trust's laboratory, all the joints met the appropriate standards. However, 40 breaks were recorded during testing at a pressure of 5 megapascals. Unacceptable defects were discovered: uneven edges, incomplete fusion, the presence of inner flash.

In our opinion, the reasons for the poor quality of construction are:

- the low level of on-site quality control, which must be done by crew heads, skilled technicians and foremen directly at the worksites;
- the extremely low quality demands made on those who perform the work, the almost complete lack of responsibility of the first and second levels of engineering personnel;
- the lack of correlation between the construction timetables adopted and the technical equipment of construction and assembly organizations;
- the poor supervision of construction by the contractor.

The accident with tragic consequences on the product line in the Ufa area demonstrated the importance of constant monitoring of the technical parameters by remote control equipment during the pipeline operation process, and diagnostic testing of its status. What is the situation with regard to these questions in the "Gazprom" firm?

Most gas transport facilities today are automated. Of the country's gas today, 90 percent is pumped by enterprises equipped with automated control systems. However, the qualitative level of the automation achieved in 1990 does not at all suit us. The low reliability and operating performance of the sensors, convertors, and unitized systems of automation and remote control produced by enterprises of the former USSR Minpribor, and their resulting frequent breakdowns, makes it necessary to maintain at all sites a substantial number of service personnel, including those for repairs. Up to 20 percent of the parameters at compressor stations are not monitored due to sensor failures. USSR Minpribor failed to meet deliveries of automated control systems for the Yamburg-Yelets, Yamburg-Tula and other gas pipelines. Many gas pipelines are not equipped with line teleautomatics, which greatly reduces their operating reliability. As of January 1, 1990, only 65,000 km had teleautomatics, or 32 percent of their total length.

"Gazprom" has developed a teleautomation program for gas industry facilities for 1990-2000. It provides for reaching a 100 percent teleautomation level by the end of the period involved based on using the achievements of

defense sectors of industry. The volume of capital investments for these purposes has been determined as around 1.5 billion rubles. Organizations of USSR Minobshchemash, Minatomenergomash, Minaviaprom and Minoborprom have been involved in creating a new generation of automation and teleautomation systems.

According to already-concluded contracts, deliveries of the new system should be started by Minatomenergomash in 1991, in amounts of not less than 100 systems in a set with sensors and communication equipment. Minaviaprom will begin delivering teleautomation systems in 1992; Minobshchemash, in 1993. A delivery level of 250-280 systems a year should thus be attained, which will enable us to solve the problem of full teleautomation of all gas pipelines by the year 2000.

Our firm's system is working on technical diagnostics of gas pipelines using modern technology.

The "Gazavtomatika" SKB [special design office], together with the Ural division of the USSR Academy of Sciences, VNIIGaz and other organizations, has created flaw detector tools for 1220-mm diameter pipelines which, moving in the gas flow, record corrosion damage, cracks, dents and other faults, enabling operating organizations to quickly detect accident-prone sections and eliminate the defects. In addition, two profilometers and four intra-tube magnetic flaw detectors for 1420-mm diameter pipelines have been purchased from the "Tuboscope" firm (USA). A specialized division has been created in Saratov to operate this complex equipment and perform defectoscopy on gas lines. Our firm has decided that on each large-diameter pipeline under construction, before its entry into operation in addition to standard tests there will be a test with intra-pipe flaw detectors. This work by design institutes is included in the design-estimate documentation.

In 1989, the defectoscopy special division checked 540 km of gas pipelines; for 1990, contracts have been concluded to perform diagnostics on 2160 km; in 1991, the volume of intra-tube defectoscopy work will grow to 4000-5000 km. The gradual increase in the volume of defectoscopy is due to the fact that all gas pipelines were previously built according to standards that did not allow for the possibility of using flaw detectors. In order to prepare a pipeline for defectoscopy now, it is sometimes necessary to make large cuts, replace valves, etc., which involves certain difficulties in the case of an operating gas line.

The "Gazavtomatika" SKB, together with the "Integral" OKB [experimental design office], has developed a laser gas analyzer using methane. Its prototype was installed on a helicopter and is in use by an experimental enterprise of the "Yugtransgaz" association. Any gas leaks, even the most minor ones, are detected in flying over the line. Over 300,000 km of gas pipelines are checked each year in this manner. Three models have now been made of a modernized system of laser monitoring of hermetic

sealing of gas pipelines with improved characteristics, enabling a substantial increase in gas pipeline checking work.

To create a smooth system for checking gas line conditions, the concentration of all major work in this direction is now organized in our firm by the Sectoral Center for Technical Diagnostics of Gas Pipelines. The "Gazprom" firm, Minneftegazprom, Minneftegazstroy and the Ye.O. Paton Institute of Electric Welding of the UkSSR Academy of Sciences, together with interested ministries and agencies, are now working out the "High-Reliability Pipeline Transport" comprehensive scientific and technical program, encompassing the entire range of questions of enhancing oil and gas pipeline reliability.

Our firm has developed a program for rebuilding the country's gas mains. In particular, it provides for an additional 1600 km of loopings, relaying 1500 km of gas pipelines and extending lines by 1900 km. Several compressor stations will be rebuilt, with a total capacity of about 4 million kilowatts, including modernization of GPA [gas pumping units] with a capacity of 2.2 million kilowatts, replacement of 1.8 million kilowatts' worth of motors, and building new workshops to replace obsolete ones with a capacity of 2.1 million kilowatts.

The Soviet Union's adherence to the international convention on long-distance transborder air pollution has created the task of limiting emissions at KS [compressor stations] while at the same time increasing the volumes of gas transport. Beginning in 1991 payments will be introduced for environmental pollution. There will be a payment of 80 rubles for each ton of nitric oxide within established standards; the payment increases up to five-fold above those standards.

The expanded use of ecologically clean gas pumping units is thus an urgent issue.

The bulk of reconstruction work will be performed on relatively old gas pipeline systems, such as the Northern Caucasus-Center (6 KS [compressor stations] and 318 km of the line section of pipelines), Ukhta-Torzhok (10 KS and 590 km), Punga-Nizhnyaya Tura (6 KS and 730 km), Central Asia-Center (8 KS and 600 km), and others.

Realization of this program will require 1.1 million tons of pipes, 4 million kilowatts of gas pumping units, and 2.5 billion rubles of capital investments. Despite such large costs, reconstruction of gas pipelines is cost-effective: the added profit from lowering fuel-energy costs and reducing payments for atmospheric pollution by nitric oxide is estimated at 630 million rubles. The repayment period for the reconstruction is 4 years.

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CONSERVATION EFFORTS

Search for Clean Alternative Energy Sources Viewed

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in Russian Nov 90 p 16

[Article by S. Borisova: "Optimism With 'A Spoonful of Tar'"; Subtitle: "Why There Are Few Ecologically Clean Energy Sources in the Country"]

[Text] The serious ecological situation in many regions of the country and the growing exhaustion of irreplaceable fossil fuels urgently demand that new, so-called renewable energy sources be developed on a large scale. This includes wind, geothermal and solar energy, as well as energy produced by ocean tides. What is being done in our country in this regard?

A government program has been worked out and is being implemented in Dagestan to use renewable energy sources in the republic's economy. In this area, Dagestan has surpassed all other regions and republics of the RSFSR.

I will begin this story of the program's realization with wind energy. First, people have used the energy of the wind since the most ancient times. Second, Dagestan is rich in this natural resource: experts have calculated that it amounts to over 550 billion kilowatt/hours per year (in electrical energy equivalents).

Perhaps only two or three local facilities resemble an ordinary windmill. The remainder are technical complexes with an unusual and complex configuration. The wind testing ground where they are set up is 1,000 meters above sea level, not far from the Chirkeysk GES [hydro-electric power station]. By order of the USSR Ministry of the Power Industry and Electrification, the "Dagenergo" production association is building here an experimental wind energy base.

"We are building installations while at the same time testing those already assembled with a total capacity of 200 kilowatts," explains the scientific director of the base, candidate of technical sciences M. Misrikhanov. "We are checking the operating and economic characteristics of models differing in design and even in operating principles, checking their durability and reliability. We will recommend the best models for serial production."

For example, the VL-2N 7.5-kW wind unit has already been tested and proven its worth: it is simple to manufacture, convenient to operate, and easily transportable. It is ideal for geological expeditions and shepherds. Its capacity is fully sufficient to provide heat and electricity to small farms. Undoubtedly, there will be a demand for it. But these low-power wind devices with local application are not the most important ones here.

"Already this year we will begin assembling two units with a capacity of 250 kilowatts each," stated the deputy

general director of "Danenergo," G. Gamzatov. "They have been developed and manufactured at our order by the 'Yuzhnoye' NPO [scientific production association] of USSR Minobshchemash [Ministry of General Machine Building]. Even larger units, of 1,000 kilowatts, are being made for us by the 'Raduga' NPO of USSR Minaviaprom [Ministry of the Aviation Industry].

"The large wind electricity units being tested on our site will form the basis for creating the country's first experimental-industrial wind electricity station, or VES. The Kuybyshev branch of the 'Gidroproyekt' institute has already begun designing the 6,000-kW 'Dagestanskaya' VES, which will be situated on the coast of the Caspian Sea not far from Makhachkala. This resort area is especially in need of ecologically clean sources."

At first, I thought of doing a small report ending on this optimistic note. But alas! A further acquaintance with the situation revealed the same notorious "spoonful of tar in a barrel of honey" which cannot be ignored.

It would seem there is no need to prove the vital importance of pressing the development of wind energy. But it turns out there is.

This is because the construction of the base and the testing ground is going very slowly. According to the design, the testing ground should be equipped with a modern laboratory facility with a full set of test benches and other equipment. It is supposed to be the test site for automatic equipment for controlling future large-scale wind assemblies, and for testing various auxiliary devices. Nothing of the kind yet exists, like much else in the design, although test runs of large-scale prototypes are not far in the future. And it is not the power engineers who are responsible for this. On the contrary, tests are taking place, results are being recorded and the base is being built exclusively due to their enthusiasm and ingenuity.

"Money to the wind." We are accustomed to this, meaning resources thrown away. But this phrase is taking on a literal meaning here: the wind energy specialists need centralized budget resources and a centralized supply of equipment and materials.

The sun, geysers, the tides... they are also today being put on the practical agenda as inexhaustible energy sources. Without question, their potential is astronomical. The USSR Ministry of the Power Industry and Electrification is carrying out a program for industrially developing them and putting them into the general "energy harness." The lead organization is the Krzhizhanovskiy State Energy Scientific Research Institute (ENIN).

The sun occupies a special place in this lineup. This energy ocean—even a small part of it!—would suffice to meet all of mankind's needs. If it weren't for the "but": sunlight falls unevenly, depending on the location, season, time of day and weather. This means that all these factors must be taken into consideration in searching for the optimal variant. Such a variant in our

country, for example, could be the southern regions: Central Asia, the Transcaucasus, the Crimea. Say, remote animal breeding farms in the Central Asian republics (where the intensity of the sunlight is high and prolonged), huge semi-desert pastures needing irrigation, numerous salt-water lakes, reserves of underground mineral waters...

There are several hundred solar hot-water and heating installations currently operating in the country. The industrial development of flat solar collectors since 1984 has promoted this. In the last few years alone, designs of the Krzhizhanovskiy Institute have enabled the sun to begin "serving" the "Castropol" retirement home in the Crimean, the "Chelyuskinets" sanatorium in Gagra, and sanatoria in the Dzhezak oblast of Uzbekistan. The sun's energy in special furnaces can melt metal. It is used for purifying water. Solar energy has taken a firm place in agriculture: it is used to heat greenhouses and dry out products.

And I want to come back to Dagestan, where there is also experience of this sort. In the coastal and mountain regions here there are over 40 various solar centers (for hot water supply, drying fruits and growing seedlings, steam-curing concrete, heating bitumen, etc.). The "Dagenenergoprom" production association was created in this republic in 1989, which includes scientific research, design and production branches. There is extensive assembly here of solar collectors of existing modern design, and intensive work is underway to create a new generation of collectors and solar systems with enhanced technical performance and greater economic efficiency.

Scientists are constantly working to expand the range of solar applications. In 1987, the ENIN experimental base was put into operation in the Crimea for using solar energy. Equipment, components and designs for hot and cold solar supply are tested here. The base has a unique combined technological system: solar heaters paired with wall barriers. Recommendations will be worked out during the experiment for using this innovation in construction.

But energy engineers are also interested in a more fundamental goal: the sun's rays should also produce electricity on an industrial scale. At the end of 1986, the SES-5 went into experimental operation, a 5-megawatt (5,000-kilowatt) solar electricity station. This station, the country's first, has also been built in the Crimea. Its equipment has already been developed, which includes over one and a half thousand unique heliostats. The Crimean electricity plant has been providing electricity to the country's Unified Energy System for two years now. Unfortunately, thus far the cost of this energy is substantially above conventionally produced electric current. The ENIN is presently developing a fundamentally different design of a solar electricity station, and scientists promise that it will be much more economical.

Let's look further. The country has substantial experience in the use of underground heat in the economy. The hot underground sources of Kamchatka have been serving people for a long time. They heat greenhouses and provide the fish factory and residential buildings with heat and hot water. Medical facilities use them to treat patients.

And once again we cannot pass over Dagestan. For several years already underground heat has been used here to heat houses of the residents of Kizlyar, Izberbash and other cities, some 250,000 square meters in all. To this must be added over seven hectares of greenhouses and balneology in sanatoria and medical facilities. Thermal waters are used for communal household and industrial purposes. In the past five years, the use of underground heat has enabled the republic to save a total of some 300,000 tons of standard fuel units.

The use of this energy source is growing in the Caucasus, the Transcaucasus, Krasnodar kray, and Siberia. An experimental facility is being developed to produce electricity based on a system of underground forced circulation with a capacity of up to 1 megawatt; it will operate in Stavropol. Two small experimental electricity plants using underground heat have been in operation in Kamchatka for many years: Pauzhetskaya and Paratunskaya. Next in line is the country's first industrial geothermal power plant: the Mutnovskaya GeoTES in Kamchatka. The project is being carried out under the scientific direction of ENIN; the TES will have a 200,000-kW capacity. The design has already been worked out for building facilities at the geothermal reserve's site, and the design of the station itself is being completed. Technical assignments have been given to factories to manufacture the unique equipment: 30-megawatt turbines and separators.

But as with the use of solar energy, there are difficulties here as well. Underground sources carry many aggressive components to the Earth's surface. Hot rivers cause corrosion and salt deposits in pipes and equipment. Their high chemical activity poses complex technical problems for technicians. But even so, specialists believe that eventually geothermal electricity plants will be able to compete with fossil-fuel ones.

Finally, one other type of renewable energy: the tides, or "lunar" energy. The Kislogubsk tidal electric power plant, or PES, has been successfully operating on the Kola peninsula near Murmansk for some two decades. The design was developed in the "Gidroproyekt" institute. The experience of its operation has made it possible to begin designing large-scale PES's. "Gidroproyekt" specialists are working out proposals to build high-power stations in the Mezensk, Tugursk and Penzhinsk bays of the White and Okhotsk seas.

So, science has already created the preconditions for wide use of ecologically clean energy sources. Their large-scale application requires coordinated action by the USSR GKNT [State Committee for Science and

Technology], USSR Gosstroy [State Construction Committee], ministries and all interested government agencies.

International Seminar on Alternative Energy Sources Held in Crimea

914A0069A Kiev PRAVDA UKRAINY in Russian
26 Oct 90 p 2

[Article by A. Zadunov (Yalta): "Power Engineering Without Fuel"]

[Text] An abundance of sunny days, winds constant in direction, and the presence of underground thermal water create favorable possibilities for developing ecologically clean power engineering in the Crimea. An international symposium that convened at the Krymgazopromenergo Association base was dedicated to this set of problems.

The seminar's participants had to examine in detail many aspects of power-engineering of the future. The value of renewable sources lies also in the fact that no fuel of any type or mineral wealth has to be consumed to obtain electricity. In so doing, there is no greenhouse effect and no discharges of harmful gases or effluents into the atmosphere, and such sources conform in the best possible manner with nature's demands for the environment for habitation of the Earth by man and, in general, by all living things.

"There is no other nook on the entire planet like the Crimea, where nature itself has created ideal conditions for using renewable sources of energy," said Mikhail Ivanovich Gordov, Director of the Krymagropromenergo Association. Upon his recommendation, an economically accountable center for using solar, wind and geothermal energy was organized under the name "Geleokrym."

The efforts of scientists and specialists of the Ukrainian SSR Academy of Sciences and of VASKhNIL [All-Union Academy of Agricultural Sciences imeni V. I. Lenin] have been combined in the center's work. And now ties with foreign colleagues are being arranged.

The center's first-priority mission is to convert the Crimea to the generation and consumption of ecologically clean energy and to create on that basis conditions for increasing the output of agricultural products. And this is not just a cherished desire—a start has already been made in executing much of what has been conceived.

On the sunny peninsula, 50 heliostats, which enable more than 200 tons of standard fuel equivalent to be saved annually, and more than a score of wind generators, five of them on the Arabat Spit, are in operation today. At a number of the oblast's farms, smoky boiler-houses are being replaced by geothermal installations, which give heating by means of underground heat for offices, schools, kindergartens, housing, hothouses and livestock departments. The sea is a powerful reservoir of heat that also is beginning to be used.

All this has also caught the attention of foreign specialists. Great interest is being displayed also in the testing ground that has been established at Alushta, where power-engineering installations that work on the sun's rays are being tested, and in the country's first solar electric-power station, which was built in the Crimea's Leninskiy Rayon.

The symposium's participants found out much that was useful not only from the reports that were included in the program, but they also saw much with their own eyes upon visiting facilities that are generating energy from renewable sources and do not require fuel.

'Declaration of Workers' Rights' Submitted to RSFSR Congress

914F0078A Moscow TRUD in Russian 9 Dec 90 pp 1,3

[Declaration adopted by the Founding Congress of RSFSR Trade Unions on 19 September 1990: "Addressed to All"]

[Text] The legislation in existence in our country for the most part ignores the rights of the working people and individuals. Understandably, under such circumstances the operation of trade unions whose main goal is to defend the rights of the working people cannot be productive. This is why in September the FNPR [Federation of Independent Trade Unions of Russia] worked out and adopted the "Declaration of the Rights of Working People" through the procedures of legislative initiative. It has now been submitted to participants in the extraordinary Congress of RSFSR [Russian Soviet Federated Socialist Republic] People's Deputies which is underway in Moscow and to participants in the forthcoming Congress of USSR People's Deputies, who are to adopt constitutional amendments expanding and guaranteeing the rights of the working people and legislative acts on trade union rights. In particular, the USSR Supreme Soviet will consider within days the Law "On Trade Unions, Their Rights, and Guarantees for Their Activities."

The "Declaration of the Rights of Working People" also gives trade union organizations an opportunity to use its provisions extensively in their practical activities, in particular for influencing the state organs in the process of developing and making particular decisions and signing agreements and collective contracts in industries, regions, enterprises, offices, and organizations.

Personal and Civil Rights

The working people should be guaranteed **personal and civil rights**:

- the right to life worthy of man and to increasing its duration;
- the right to personal inviolability, respect for human dignity, honor, and reputation, and free personal development;
- the right to protection against arbitrary infringements and interference in personal and family life;
- the right to choose their domiciles, move freely over the territory of the state, leave the country and return to it for residence, study, work, treatment, or recreation personally or with their families;
- the right to acquire citizenship, change it voluntarily, and be protected against its arbitrary revocation;
- the right to have their rights and freedoms comprehensively recognized and enforced by the courts.

Cultural, Social, and Economic Rights

The following **cultural rights** should be ensured for the working people:

- the right to participate in cultural life and to use the accomplishments of national and world culture;
- the right to get an education and to have various types of education available;
- the right to freedom of information;
- the right to freedom of thought, conscience, and religion and the free expression and propagation of their convictions;
- the right to freedom of instruction, research, and creative activities;
- the right to use the results of intellectual progress and their practical application;
- the right to intellectual property and its protection;
- the right to recreation and leisure for the beneficial use of spare time with a view to spiritual, cultural, and physical development.

The working people should have the following **social rights**:

- the right to a standard of living necessary to maintain the welfare of individuals and their families;
- the right to a consumer choice, full-value nutrition, and the availability and variety of goods;
- the right to social services and consumer services;
- the right to the highest achievable level of physical and mental health, health care, and medical attention;
- the right to social welfare, social security, and protection in the event of social hazards; receipt of benefits (family allowances, maternity and temporary disability benefits, permanent disability and unemployment benefits); receipt of scholarships (for professional training, skill improvement, and retraining); receipt of retirement benefits (by virtue of age, disability, loss of a breadwinner, and tenure);
- the right to state assistance in the event of forced migrations;
- the right to a continuous improvement of living conditions and an increase of the standard of social welfare;

Every working person should have **economic rights**:

- the right to participate in choosing an economic system, and the goals, ways, and means of implementing economic reforms in the country;
- the right to share in the public wealth of the country;

- the right to property, inheritance, and the protection of assets;
- the right to utilize land, use and protect natural resources;
- the right to his own dwelling;
- the right to economic operations, entrepreneurship, and trade;
- the right to economic cooperation and the creation of economic associations;
- the right to state aid in the event of inflation and protection against the depreciation of labor-derived savings;
- the right to secure fair advantages due to the results of economic cooperation and technological progress.

Labor Rights

Every person capable of labor and willing to work should be granted **the right to free labor**:

- the right to the free choice of profession, type of employment, and place of employment;
- the right to the state ensuring full, productive, and freely elected employment;
- the right to professional counselling, training, and retraining;
- the right to professional independence in the course of discharging labor responsibilities;
- the right to advance at work on the basis of labor tenure and skills; the right to professional rehabilitation and employment in the event of disability;
- the right to freedom from discrimination in the sphere of labor and employment;
- the right to freedom from forced and mandatory labor.

The working people should have **the right to occupational safety**:

- the right to safe, hygienic, and technically equipped work stations;
- the right to prevention and protection against the risk of occupational diseases and work-related injuries;
- the right to refuse work if it poses a direct and serious danger to them and the production and natural environment;
- the right to trustworthy information on factors endangering health which are associated with employment;
- the right to take part in monitoring compliance with legislative acts on the protection of labor and occupational safety rules.

The right of the working people to fair remunerations should be guaranteed:

- the right to take part in establishing remuneration terms for their own labor;
- the right to labor remunerations which ensure a worthy existence for themselves and their families;
- the right to be protected against unjustifiably low wages and to the minimal remuneration for labor set by the state;
- the right to increased pay and greater compensation time for overtime work and work on days off and holidays;
- the right to rewards for working on holidays;
- the right to the timely and full payment of wages in a currency which is legal tender within and outside the country;
- the right to the payment of a segment of wages in products useful and desirable for the working people and their families at a fair and reasonable cost;
- the right to priority action on claims for wages and monetary compensation in the event an enterprise goes bankrupt or is liquidated;
- the right to the protection of wages against "freezes" and excessive taxes and withholdings;
- the right to incentives for diligent, enterprising, and professional labor.

The working people should have **the right to restrict working hours**:

- the right to restricting working hours by law, agreements, and contracts;
- the right to a normal duration of working hours not exceeding 35 to 40 hours per week and seven to eight hours per day;
- the right to reduced working hours: before one's 18th birthday, in a harmful working environment, under increased physical, intellectual, and psychological stress, for study without discontinuing work, and in case of disability;
- the right to be exempt from work or have its duration reduced at night;
- the right to reduced working hours on the eve of holidays and days off;
- the right to part-time work in order to take care of children, sick members of the household, and in the event of disability;
- the right to agreed-upon part- and flexible-time of work.

The working people should have **the right to leave:**

- the right to be given various types of paid leave: annual basic leave; annual additional leave by virtue of harmful working conditions; creative leave; maternity and childbirth leave, leave for caring for small children; leave for working people with children; study leave for a general education, vocational training, and trade union classes;
- the right to basic annual leave of no less than four calendar weeks with double pay;
- the right to the piecemeal use of annual paid leave;
- the right to be granted the unused basic and additional leave time when leaving a job;
- the right to leave without pay.

The working people should have **the right to the protection of their interests, rights, and freedoms:**

- the right to be given a prior warning and monetary compensation in the case of firing;
- the right to be reinstated and given monetary compensation in the event of being fired illegitimately;
- the right to go to court with a view to resolving labor disputes;
- the right to strikes, boycotts, pickets, occupation of work stations, and other actions in defense of their interests.

Trade Union, Political, and International Rights

The working people should be guaranteed **trade union rights:**

- the right to freely create trade unions, and their associations and organizations, without distinction at their option, to join them, and to engage in trade union activities;
- the right to the independence of trade unions, and participation in developing their charters and action programs and elections of trade union leaders and executive organs;
- the right to independently manage trade union funds free of control by state organs and entrepreneurs;
- the right to convene trade union meetings, conferences, and congresses, hold trade union demonstrations in public places, festivals of industries, professions, unity-in-action days, and other collective actions in defense of their interests;
- the right to participate in developing and implementing decisions on issues of economic, social, and cultural life, establishing conditions for labor and applying norms which regulate labor relations, monitoring occupational safety, managing social welfare,

monitoring the work of social welfare organs and health-care facilities, and reviewing labor disputes;

- the right to participate in legislative initiatives, collective consultations and negotiations, the signing of agreements and collective contracts, the operation of reconciliation commissions and labor arbitration bodies;
- the right to legislative guarantees and ensuring material conditions for trade union activities.

The working people should be guaranteed the following **political rights:**

- the right to participate in the management of state and public affairs;
- the right to participate in a referendum;
- the right to elect and to be elected to the organs of state power;
- the right to equal access to state and public positions;
- the right to criticize state organs and officials;
- the right to give a vote of no confidence in the organs of state power and government;
- the right to freedom of speech and the press;
- the right to freedom of agitation and propaganda;
- the right to participate in peaceful meetings, rallies, demonstrations, and street processions;
- the right to participate in mass public movements and in the creation and activities of sociopolitical organizations;
- the right to be free not to join any public association;
- the right to contribute to the development and defense of human rights and freedoms independently and in cooperation with others.

Together with the working people of all countries, the working people of Russia should have **international solidarity rights:**

- the right to the common heritage of humanity;
- the right to international cooperation and international communications;
- the right to development and progress;
- the right to a healthy natural environment;
- the right to peace.

(Approved by the Founding Congress of RSFSR [Russian Soviet Federated Socialist Republic] Trade Unions on 19 September 1990.)

Trade Unions' View of Role in Intensifying Worker Control

914F0077A Moscow TRUD in Russian 9 Dec 90 p 1

[Interview with Vladimir Kuzmenok, deputy chairman of the General Confederation of USSR Trade Unions, by TRUD correspondent V. Shchepkin: "The Dark Corners of Distribution"]

[Text] As we reported on Saturday, our correspondent interviewed Vladimir Kuzmenok, deputy chairman of the General Confederation of USSR Trade Unions. The purpose of this interview is to help our readers understand how the presidential decree on strengthening workers' control is to be implemented.

Leninskiy Prospect in our capital, No. 42. I came to the headquarters of the General Confederation of USSR Trade Unions, prompted by calls from readers: How can the presidential decree on strengthening workers' control be implemented promptly and effectively.

A telegram from Kharkov is signed by V. Antonov, deputy chairman of the trade union oblast committee: "I believe we should consider the decree aimed at strengthening the role of currently functioning trade union workers' control, created by the USSR Supreme Soviet Presidium decree of 18 May 1989. Therefore, in the process of working out the normative directives for implementation of the presidential decree, it is necessary to take into account the experience and capabilities of the currently functioning structures of trade union workers' control. In order to eradicate duplication of efforts, I suggest that General Confederation of USSR Trade Unions Council develop proposals on the coordination of trade union workers' control-inspection commissions, soviet of people's deputies commissions, and law enforcement organs, to strengthen control over service sector enterprises."

"We believe that the presidential decree is aimed at strengthening already existing—that is, trade union workers'—control," says Vladimir Kuzmenok, deputy chairman of the General Confederation of USSR Trade Unions. "Today control is not only a complicated and thankless undertaking; it is simply dangerous. We have incidents of workers being threatened, not being admitted to stores, various warehouses, and other 'dark corners' in our distribution system they are assigned to inspect."

[Shchepkin] Would new workers' control committees not duplicate the activities of existing inspections and commissions at enterprises?

[Kuzmenok] Let us look at the root of the matter. Control will become first and foremost the business of the workers. It will be control for the workers and by the workers. So, you tell me, what organization or organ of authority can afford to ignore it? The new control is intent on putting things in order. The authorities should help it. The trade unions' task is also to help organize

this work, find office space, and coordinate activities. The MVD [Ministry of Internal Affairs], KGB, and the procurator's office are also involved in this process. By now we have found out that it is not enough just to inspect what is on the counter and what is under the counter. Actually, it is inherently wrong, because the counter is the final destination point. We can see that retail workers are "closed in" from all sides. They are shouted at and cursed at. We have jumped the last ones in line. Let us go to where the product is produced. It is precisely outside the gates of factories and plants that theft and pilferage begin. Now the workers' control will cover the entire chain—from the producer to the consumer.

[Shchepkin] Many are asking how exactly the presidential decree is to be implemented.

[Kuzmenok] I have to say that the decree only gives a general outline. It is a sort of "declaration of intent" in regard to strengthening workers' control. As always, there is not enough concrete content. We believe that in practice the decree should be carried out by the largest, most-vigilant collectives. They should be able to spare a certain number of people for the control brigades. They are not going to become "coasters," they will have to work by day and go on a volunteer "second shift"—the control—by night. It is important to organize things in such a way that the committees do not get filled with "buddies," with those who are now trying to become part of any structure that would allow them to "launder" their money. This is not a secret. Your newspaper writes about it all the time. The trade union organizations' task is to delegate the most moral and decent people to the workers' control. These new groups should interact closely with our trade union workers' commissions. Then we will have no duplication of control activities.

[Shchepkin] You have to start somewhere. Here is a concrete situation at the Moscow transport junction. There are about 3.5 thousand boxcars with various goods sitting here and waiting to be unloaded. What should the workers' control do?

[Kuzmenok] According to the decree, the controllers now have special powers. They can decide on the spot to fire officials in charge. They should go to these raids with their own transport and take the goods directly to the stores in their districts. They need to organize the sales. They need to go to the retail trade department, to the Ministry of Trade, and sort things out: What and is being distributed and how, who gives the orders, how are they carried out? They need to find out where this or that production is stored, why the containers, ships, and boxcars are not being unloaded. They have to uncover the "drain" channels. It is in the interests of all of us to see the workers' control succeed.

We should not be put off by the fact that some organizational matters of the workers' control have not been

resolved yet. It is important to start putting it in practice, to start actual inspections. Life will put everything in its place.

Unions, Goskomtrud Differ on Employment Draft Law

914F0075A Moscow TRUD in Russian 7 Dec 90 p 2

[Article by N. Podshibyakina, head of the Department for Protection of the Socioeconomic Interests of Laborers, Council of the All-Union Confederation of Trade Unions: "Imagine Yourself Without Work...: Basic Differences Between the Trade Unions and the USSR Goskomtrud on the Draft Employment Law Have Not Yet Been Surmounted"]

[Text] It is with bitterness and alarm that I read press reports that in one place a certain number of people have been left without work, and even more in another place. Here is a recent message from Chita: Unemployed workers gathered together in the city in order to attract attention to their fate. "The unwanted are primarily the young and the elderly, as well as women with a higher education," writes the newspaper reporter. "According to some forecasts the army of jobless in sparsely populated Chita Oblast will total around 30,000 next year, while according to others just the unemployed young will total 40,000."

Unfortunately we do not have any accurate statistics yet, but even without them it is clear that millions of people have found themselves to be a surplus commodity, unneeded by our country, in which, as we used to write, "the most humane society" was being created over the course of many decades. In order to understand what the unemployed person experiences, you must become one. Moral defeat, the deepest disenchantment, a psychological blow, the loss of hope. When I was abroad, I was told of a case where an unemployed worker who was receiving unemployment compensation totaling 80 percent of his average wage committed suicide—so great was the power of depression.

This is why the problem of "surplus" people is ranked today among the most important, most acute and, in short, priority problems. Within the next few days the draft Principles of Legislation of the USSR and Union Republics on Employment will be examined by the USSR Supreme Soviet in its second reading. And in this connection, without mincing words, I would like to once again turn the attention of the respected deputies, who are called upon to defend the interests of their constituents, to the fundamental and extremely significant disagreements between the VKP [All-Union Confederation of Trade Unions] Council and the USSR Goskomtrud [State Committee for Labor and Social Problems] in the approaches to solving the employment problem.

The trade unions have already explained and argued their position several times both in the parliament and in the press. It fully reflects the opinion of the broad laboring masses, as is evidenced by meetings with

workers and specialists, by numerous letters and telegrams addressed to the VKP Council, and by resolutions adopted by meetings of labor collectives. And no matter how much some opponents may accuse us of so-called "populism," of "a failure to understand the country's financial position and the political situation," and of many other "sins" in the heat of a not always properly structured debate, the trade unions will continue to consistently and energetically defend the deepest interests of the people of labor, all the more so when the discussion turns to a vitally important matter such as social protection of those left without work.

Now let's look at specifically what the causes of our disagreement are. Although consensus has been found in relation to some points, workers of the USSR Goskomtrud still refuse to accept the arguments of the VKP Council in relation to a number of the most fundamental provisions, rigidly defending their line.

First of all let's consider the most important provision—the amount of the compensation and the time of its payment. The Goskomtrud proposes calculating the compensation depending on basic earnings. The latter include the pay rate or salary, with regard for additional piece-work earnings (or additional payments for fulfillment of a standard quota). But the trade unions feel that the average and not the basic earnings should be adopted as the starting point for the calculations. Is there such a major difference, one would think, between average earnings or basic earnings? The terms are similar, and the nonspecialist might gain the impression that we are generally talking about the same thing. But this is not at all so, we are not "playing with words." We are talking about a significant decrease in compensation for the jobless worker. Because the basic earnings do not include extra payments for overtime work, for night shifts, for heavy and harmful working conditions, various bonuses, the 13th-month wage, etc. In other words, Goskomtrud's variant will not account for almost a third of average earnings. Is this fair?

Let's look at how much an industrial worker left without work will lose in this case. Let's assume that his average earnings were 260 rubles (this corresponds to the country average). And that his basic earnings were 175. This means that in the first case his compensation would be 130 rubles (if the individual had worked not less than 12 weeks in the year prior to his dismissal), while in the second it would be 87 and a half. One can still make do on 130 rubles (according to calculations made by the trade unions this is the average subsistence minimum), but what about 87? Especially if you have a family? Moreover a significant number of those who fall under the employment reduction axe will have earnings below the country average. Let each reader imagine himself to be unemployed for just a minute (no one, by the way, can be certain that he will not be an unemployed worker), receiving such a sum, and then he will easily understand the terrible fate that will befall millions of people who unwillingly find themselves out in the street when the Goskomtrud's variant is adopted.

Another argument I have heard on occasion is this: People have savings (there are over 360 billion rubles in passbook savings accounts, it is said), meaning that they will not be left without money. But you would have to be far out of touch with real life to think this way. The absolute majority of families are barely making ends meet, they are living from paycheck to paycheck, and it would be impermissible to doom them to total poverty even for a time of temporary unemployment. This may lead to further swift growth of social tension, with unpredictable consequences. This is why the trade unions continue to insist that all calculations associated with determining unemployment compensation must be based not on the basic but on the average earnings. Let me recall incidentally that in Austria, Italy and Japan the maximum amount of basic compensation may attain 80 percent of prior earnings, in Argentina and Switzerland it may attain 70 percent and in the FRG and Belgium, 60 percent. In our country it would be 50 percent, and not even of total earnings according to the proposal.

Now about the payment schedule. The trade unions feel that the minimum time of payment of compensation should be a year, while the Goskomtrud is arguing for half a year. The experience of many countries shows that when structural reorganization occurs, when unprofitable or unneeded enterprises are closed, it takes a certain amount of time to create new jobs—often a year, and possibly even two. This is precisely the reality on which the trade unions base themselves. It is completely clear that many unemployed workers will be unable to find jobs within half a year (examples of this are already available today). Why, then, in such a case must we establish half a year as the time of payment of compensation? How is such a decision to be explained to those who will be unable to find work even after six months? How are we to look these people in the eye? Here again I would like to cite the foreign experience. In Canada and Sweden, compensation is paid for a year, while in Great Britain it is paid for 312 days. We are talking a great deal today about the need for social protection of the Soviet people, about our adherence to humanitarian and social ideals. I think that these ideals need to be implemented in real actions as well.

The approaches taken by the trade unions and by the Goskomtrud are just as different in relation to a number of other important positions as well. Take for example the matter of cross-training, of changing one's occupation. This is not a simple thing, especially for workers who are no longer young. It involves surmounting serious psychological and other difficulties, breaking old habits, and so on. They know this well in the enterprises. It's not even that easy, for example, to talk an older worker to switch from manual labor to running an automatic system ("I'm too old to learn, I've gotten used to doing it this way..."). This is why the practice abroad is not to ask the unemployed worker to change his occupation right away, but only after a certain amount of time, when the search for work in one's occupation is found to be futile.

But the Goskomtrud feels otherwise: If there are no possibilities for providing suitable work, the unemployed worker may be asked right away not only to upgrade his qualifications (that's normal), but also to master a new occupation. The trade unions can't agree with this: Some time has to be provided (half a year or a year for example) to try to find work in one's specialty.

I can imagine quite well what workers of the USSR Goskomtrud will say as justification for their position. The treasury is almost empty, and where are we going to get the money with which to provide fully for the social protection of the unemployed? But we cannot agree with this explanation in this case. Because what we are talking about in the very direct sense is the fate of millions. The money has to be found. Consider for example that subsidies to unprofitable enterprises will decrease substantially—couldn't part of this money be used to provide assistance to the unemployed? Other possibilities need to be examined as well. But under no circumstances can we allow people to be cast into the gutter of life, to be humiliated by poverty and by the society's indifference. I think that this would be totally not in keeping with the goals of perestroika.

Now that work on the draft principles is practically completed, the last hope lies with the deputies. The form in which this document is adopted, the response it elicits in the country, and the amount that it will assist those who are deprived of their life support—work—will depend on them. But it would be still better for the Goskomtrud to finally heed the arguments of the trade unions, so that we might come to the session with just a single document.

Omsk Trade Union Opposes Privatization

914F0063A Moscow TRUD in Russian 28 Nov 90 p 2

[Interview with A. Uporov, chairman of the Trade, Public Catering, and Consumer Cooperatives Trade Union Oblast Committee, by TRUD correspondent V. Golubev in Omsk: "We Are Against Such Market": Why a Trade Union in Omsk Does Not Support Privatization"]

[Text] Today trade unions are regularly accused of "throwing a monkey wrench in the works of perestroika." Trade union leaders on different levels, in turn, are fending off the attacks, and are continuously arguing that they are for perestroika. A. Uporov, chairman of the Trade, Public Catering, and Consumer Cooperatives Trade Union oblast committee, was not afraid to "burden his soul." He stated quite officially: Our oblast committee is against economic reform, against the market. Clearly, this is a topic for a precise conversation.

[Golubev] This was a risky statement, Aleksandr Petrovich. Especially considering that we are talking about a sphere of activities which—to put it mildly—does not win kudos from the population. Retail clerks are not miners...

[Uporov] By the way, their work environment is extremely harsh, I can prove it with figures and facts. However, that is not the topic today. The very first step toward privatization of retail trade that is being planned here, in Omsk, will under current conditions produce 12,000 unemployed. Nobody has thought seriously about their job placement; things are unclear in regard to unemployment insurance too. What we have plenty of is the resolve to conduct a reform.

[Golubev] But, forgive me, the figure you just gave me also proves that today, roughly speaking, quite a few unneeded people—who in turn supply friends and relatives—feed off the retail system. Is it not true that the layoffs will affect those who are not really needed, who are of no use? What is wrong with that?

[Uporov] Theoretically—nothing. But they are people, members of our trade union. Those who will find themselves out on the street are primarily menial and minimally skilled workers—technicians, stevedores, helpers. They do not have other skills, and all of them have families, children.

[Golubev] But a trade union is not a social security office. Also, not all of your own members have similar concerns. Some will be happy to be able to conduct real commerce...

[Uporov] I agree with that! Do you really think I enjoy this role of an "enemy of perestroika," an enemy of market relations? In theory we are all "for," but when it comes to actions it comes out as "against." This is a contradiction I try to resolve for myself every day. I do know firmly: People should not be cornered. If we lay somebody off, we should offer something in its place. It may be that the alternative will require retraining, learning new skills or upgrading existing ones, but there should be an alternative. Then each can decide what to choose.

Otherwise, our "light in the end of the tunnel" is all darkness, if you forgive my pun. Keep in mind that trade and services constitute part of economy that is growing everywhere in the normal world; it absorbs people who are freed from the sphere of material production; it is here that there should be new jobs, many of them. But we—not only we are not able to absorb people from other branches, we are dropping our own ones.

[Golubev] So what is going to happen? Will the trade union oblast committee announce a crusade against the privatization of trade?

[Uporov] That cannot be ruled out. But so far we have not exhausted "peaceful" means of protecting our members' interests. Actually, the oblast committee is barely over the stage of announcing our position to the organs of state power and to a variety of departmental organizations. All our work is still ahead of us. By the way, quite often it is not necessary to find new solutions; sometimes it is enough just to enforce implementation of the old ones. We did have some good directives

instructing Omsk industrial giants to start producing equipment for small bakeries, produce-processing plants, and so on. This, among other benefits, would create hundreds and thousands of jobs. None of it materialized. To acquire a commercial electric baking oven is a problem of major proportions. To find available commercial space is impossible. And on top of that there are no goods to sell, as if Mongol hordes have swept through our stores. You tell me, where will competition and market relations in retail trade and public catering come from under these conditions?

[Golubev] The market starts with free trade. According to you, first we need to create a market, and only then liquidate the state monopoly in retail trade. Do all of us not know how much is simply being wasted now—the entrepreneurs would have taken care of that if they had a free hand.

[Uporov] That is what everybody says: Let us sell the stores, and enterprise will blossom. Let us contemplate, however: Why is it that privatization is slated to begin with services and retail trade? Because it is profitable—it provides the fastest capital turnover. But first you have to invest that capital in order for it to be used. We want to take without putting anything in. Also, it is naive to believe that our people will instantly acquire commercial skills...

[Golubev] I have a feeling that we have touched another sore spot. But why should the same people stay in retail trade?

[Uporov] This is something we will fight for with all available means: preferential right for the collective to acquire the store. How it should be done—by establishing two purchase prices (one for current workers, another for all others), or by some other means—I do not know.

[Golubev] But if everybody stays where they are, why start this whole thing with privatization at all? What is going to change?

[Uporov] That is precisely what I am saying: Why? In my opinion, the whole idea of privatizing trade in Omsk is revolving around one single task: to relieve local budget of the burden of supporting unprofitable enterprises. That is all. The reformers at this point are not thinking about either buyers or sellers.

Many questions arise for which there are simply no answers. For instance, under the new conditions who is going to be in charge of logistics, wholesale trade, marketing? There are no such structures for "private" trade. Who will be training new merchants? There are many specialists in bookkeeping, control, distribution and redistribution of funds in the existing structures of the retail trade pyramid, but there are almost no specialists on real commercial work.

[Golubev] Do you not think that in this case the trade union oblast committee, by defending so fiercely the

interests of ordinary workers, at the same time defends the interests of the same powerful administrative layer that will not be needed under new conditions, and therefore is so afraid of any changes? To put it bluntly, are you not defending the retail trade mafia?

[Uporov] On the contrary. Look what is happening now. Unprofitable stores are being sold, workers' collectives—real people—are facing serious hardships, but at the administrative level no changes have taken place so far. That is, there is an attempt to pour new wine into an old skin. We can easily predict the results, because we have had some experience of that. Tell me, has the public catering system in Omsk improved since unprofitable enterprises have been transferred to cooperative ownership? Alas...

[Golubev] Aleksandr Petrovich, does the trade union oblast committee not have its own special interests in this? Privatization breeds owners who need completely different ways of protecting their rights, and who will form their own organizations. They will not need the trade union obkom...

[Uporov] There will still be hired labor in the foreseeable future and in any sphere of economic activity, and therefore there will be a trade union uniting such hired workers. But this trade union will be different under the new conditions, in the new system of economic relations. Today, however, the trade union is what it is. Yes, there is a lot of unnecessary hassle in our activities, we occasionally do things that have not been thought through, and we constantly run into contradictions. But please understand that the reason for these shortcomings is not inherent in the nature of trade unions—it lies in the realities of our life today. In my view, the reason for a trade union's existence is to resolve contradictions in a civilized, peaceful way, to seek and find a balance between various interests that will ensure the stability of the society. Otherwise we will have not a market, but chaos.

Miners' Workers' Bureaucracy Criticized

914F0035A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 6 Nov 90 p 2

[Article by Aleksandr Yermakov, Aleksandr Kalinin, Viktor Kosyak, Valeriy Komarov and Vasily Nelyubin: "It Is Better to Swallow Not Dust but Mineral Water: Thoughts on the New Worker's Bureaucracy"]

[Text] We will share a small discovery. It is most comfortable to look at your prospects lying on your back. Especially if you are lying not on a hammock but on the cut face of a coal mine. As everyone knows, a closed space tends to open up one's thinking.

We soon understood that we would not reach agreement in the hotel room. One person looked at what was happening through the eyes of the miners of his own region, another person through the eyes of an outside observer and for still another it was painful to part with

his illusions. And, abandoning fruitless debates, we journalists from KOMSOMOLSKAYA PRAVDA who were sent to the miners' congress went underground early in the morning and at a depth of 800 meters dispersed through the narrow and dusty galleries of the mine imeni Kalinin. We crawled—squatting in some places and on our elbows and stomachs in others—along the wasted longwalls to look at everything through the eyes not of delegates to the congress but of workers.

We agreed on one thing: the workers' movement today is in a profound crisis. It will either shift to a qualitatively new level or will change into something contrary to itself. The demands of neither the strikers nor of the delegates of the First Congress are being met. Threats are not working and there is nothing to threaten other than strikes. In the miners' collectives, there is increasing dissatisfaction with their leaders and disappointment with the movement in general.

What did they accomplish?

It would seem that they accomplished quite a lot after last year's strike. For example, supplemental payments for work during the night shift and for travel time from the main shaft to the longwalls. In accordance with yesterday's standards, this alone was worth celebrating. But was the miner's wage increased? We asked one of them how much he received for last month. "Two hundred forty," he answered, "plus 40 additional rubles for the way from the shaft to the longwalls." But we tell you, reader, that for 300 rubles hardly anyone would agree even to an excursion trip to the mine. The result is a paradox: the supplementary payments increased but wages declined.

Have they begun to work less effectively? In general, yes. Mine supervisors are unanimous in asserting that discipline worsened noticeably after the strikes. The miner's wages depend not so much upon the amount of coal mined as upon whether or not the plan is fulfilled. And it was difficult to fulfill plans even in the times of stagnation, when they took Sundays and holidays away from the miners....

They also got more vacation time. But it is impossible to ensure the normal work of the mine with this much leave and the previous work force. It is possible, as in other countries, for the entire collective to go on vacation at one time (but where can you get travel orders for all of them?) but, again, what about the plan? Spread it over the rest of the months? This means sitting on the wage rates for the entire year.... This is why any interest that there may be in the congress is remote. They tell us that at this time it is not a matter of privatization or the market—there is no pit wood and no spare parts.... But what about the lads at the congress? They have their own task and we have ours. Having tasted authority, it is difficult to return to the cut face. And who would not like to swallow mineral water in the conference halls rather than dust?

The fall of 1990 has clearly changed some things in the Donbass [Donetsk Coal Basin]. Everything was conceived and viewed differently a year ago. It seemed that they needed to apply just a little more pressure and.... After all, they were afraid of them. They listened to them. Emissaries from different parties, platforms and commissions came knocking on their office doors. There is no irony in saying that politics was carried on here. Now there is tormenting doubt about whether it was necessary for the workers' movement to delve so deeply into politics.

"We neglected the main thing—the development of our own economic concept," says the Gorlovka miner Konstantin Fesenko after the congress. "We went out to small and large parliaments and we visit the Kremlin. Meanwhile, Shchadov has calculated that with the help of economic levers it is a simple matter to change the miners from supporters of perestroika to a bulwark of the administrative command system and to turn the transition to the market into a revival of the old order."

Aleksandr Stepanov, a power shovel operator at the "Berezovskiy" cut from the Kuybyshev Automotive and Tractor Electrical Equipment and Carburetor Plant agrees with him:

"Our workers' movement is sick because its leaders were infected with the virus of politics and got involved in someone else's business. They were finished the moment they separated themselves from the collective and became bureaucrats from the workers' movement. Not only that but unqualified and poorly educated bureaucrats. We do not need liberated dilettantes. A leader of miners must work and live in the labor collective. The tactics and strategy of the organization must be determined here. But professionals paid by trade unions for specific work must implement it and defend our rights in court and in parliament.

To be sure, the question arises: Could things have been different in those days? When they did not trust anyone besides Ryzhkov and Gorbachev. When they even assigned "Afghans" to their own proven people so that, God forbid, they would not be "baited" there.

Now the "Afghans" have been assigned to the doors of the conference hall, protecting the delegates of the miners' conference from who knows whom. For this they are given free lunch coupons. So the "Afghans" themselves are baited? True, it is unclear by whom. By the workers' movement? Or by the workers' bureaucracy? Those energetic boys who just yesterday were against any bureaucracy at all?

We ourselves took a look and did not recognize these boys. Just recently the new leaders of the workers timidly knocked on the doors of the press centers, seeking help in the fight against the party bureaucracy. Together with them, we pursued speculators, uncovered provocateurs and sat at the bedside of poisoned miners. Yuriy Makarov courageously unmasked the ideologists of the

nomenclature from the television screen. Now he himself is an ideologist. At both miners' congresses, he was entrusted with supporting ties with the press. And he supported them exactly as did those whom he recently unmasked. He personally determined who would be admitted to the hall and who would not and who would be given documents and who would be refused. He looked down on people rather than right at them and he mouthed off a lot. It was much more difficult to work with him than with party officials because if he is not dumber than they, he is more arrogant.

The tables in the hall are breaking under the weight of delicacies, although the shelves are empty in the stores. The delegates receive gifts. True, somewhat more modestly than five years ago—coupons for smoking tobacco and children's toys. Are they bought or baited? Camera bulbs flash in the hall: the pocket photo correspondents who have been brought along photograph their "own" delegates—for history. You sometimes get the idea that you are sitting at a routine party conference, only that the faces on the platform and in the hall have been replaced.

Is this what they were striving for?

Was there a workers' movement at all?

We have a right to doubt this, because we were on the side of the miners from the very beginning, from the first day of the strike. We were sympathetic to their struggle against the officialdom of the old regime. We supported their demand for the resignation of the union government. We welcome their attempt to establish their own independent trade union—to spite those who, relying on the old apparatus and acting within the old structures, are merely declaring their own independence. That is, it is difficult to accuse us of being bought or baited. Especially since we, having noted problems in their movement, are obliged to warn the society and the miners themselves.

But there was a movement! At least an infant was born and sought to become a man. Having receded from the squares, the wave of strikes left behind on the surface a menacing force in the person of the strike committees. They were assigned the role of a battering ram, which could be set in motion at any moment. They did not delegate any other role to the movement from below—the leaders sought it themselves, dividing up according to interests, establishing new structures and joining different parties and currents.

A large part of them went into politics, becoming deputies of soviets at different levels. Coming to power, they quickly understood that the saying "There is strength, no mind is needed" may be popular in the mines but is rather dangerous for the country.

But having become deputies, they had already ceased to be leaders of the workers' movement. Other people took their places but most of them as well separated into parties, movements and groups. One delegate from the

Western Ukraine who, by the way, was present at both miners' congresses represented not so much a mine but "Rukh." What did he care about purely miners' problems—the main thing for him was to get to the microphone to shout "Down with the communists!"

Some of the leaders of the first call joined a trade union or councils of labor collectives. Many of them were forced out and replaced by others, for under the old structures they could only perform the old functions more conscientiously than before—blow up balloons, for example, for the May Day demonstration. But the new people who replaced them likewise ceased to be leaders of the crowd or idols of the meetings.

The most radical of them joined the public commission on the fulfillment of Decree 608. Actually they were at the helm of the workers' movement and organized and carried out two miners' congresses. But this commission was shattered by internal contradictions: above all by the leadership struggle among regions, especially since each region has its different interests.

Why, for example, was the strike started by the miners of Kuzbass [Kuznetsk Coal Basin], and now the Donetsk strike committee is suddenly striving to reach the crest? In the first place, it was not only the difficult working conditions that brought the people of Kuznetsk to the square but also their empty stomachs. Even now the shelves of Donetsk stores are many times richer. But when it became clear that it is foolish to demand a better life from those who cannot provide it, the people here emphasized the establishment of a free-enterprise zone. This does not suit the people of Donetsk, for they have other working conditions. Infernal conditions, one must say. One of us who, by the way, had worked several years in the mines of Kuzbass and Vorkuta, was simply shaken by what he saw in Donetsk. Coming to the surface, he could say only: that is no way to work! They take the coal here at a high price and Donbass cannot survive without substantial investments of money. The line where Kuzbass stopped is deadly for it. Hence the strife. Donbass accuses Kuzbass of treachery, saying that when the problem of the recultivation of lands arises there the coal will also become more expensive. They will remember and start to repent. Kuzbass answers: Donbass has its own problems and let it resolve them as it sees fit. But the minister reminds the people of Donetsk: brother miners, you have only a few profitable mines but believe in me and support me and I will not abandon you. You will scratch your heads: it is one thing to hold a meeting against the obkom secretary and quite another to bite the hand that feeds you. It is embarrassing to beg and frightful to steal.

The struggle for places in parliament and in public organizations and the establishment of a new trade union is nothing other than a power struggle. The leaders of the miners were offended groundlessly when they were accused of striving for power. What is shameful about this? But the fact is that, in installing themselves in party

committees, soviets, trade unions and all kinds of commissions, the workers' leaders also reserved for themselves the right of unconstitutional authority. And they assigned priority importance to this. There was a time when the coal regions were controlled not by the party and not even by the soviets but by the strike committees. In Karaganda, for example, at the meeting of the oblast workers' committee, they proposed the condition that the new "top man" of the obkom be no more than 40 years of age. And no one remembered that this is the prerogative of the plenum. Another "recommended" individual even went to the platform and expressed thanks for their confidence. In the Donetsk city council, the miners constituted one-third of the deputies but the strike committee was not dissolved. There continues to be dual authority in the city. Is it not because there are certain laws in effect in parliament, whereas in the strike committee everything can be resolved from a position of strength?

But again, could it be otherwise? A strike is nothing other than an attempt to achieve certain demands from a position of strength. The stopping of coal deliveries, the shutting down of transport in the city and the closing of stores and restaurants—is that not coercion? But it was justified by saying that only in this way was it possible to gain concessions from the government, to force local princelings to resign and to break down the old state machinery. And the fact that along the way we will close an organization without asking its members and demand the resignation of the editor of a city newspaper who has a different point of view represents costs.

With the dispersal of the leaders to parties and parliaments and their separation from the movement, it lost its strength. This became clear as early as the spring, when, for example, they were not able to force the party obkom to resign in Donetsk. A hunger strike did not help either. In the summer, they tried to bring down the Government of the USSR. And again they failed. The second congress of miners acknowledged that the decisions of the first congress are not being implemented.

But they have plenty of strength for something else. Strike committee member A. Mudrik, for example, having become deputy chairman of people's control in the city council, is getting an apartment in a prestigious house in violation of the law. And is he really the only one? Worker control, while shaking up the help in the stores and drugstores and instilling terror in warehouse workers, is not forgetting about itself.

Is this what they were striving for?

"There is no need," the leaders of the workers tell us, "to compromise the small organization of the strike committees. It is the only one that today is still opposing the old party and state apparatus."

We experienced its effects ourselves, when they took away from the hotel administrator permission for our lodging and we were forced in humiliation to ask this apparatus for even a few rooms to hold a conference of

own correspondents from the country's coal regions in conjunction with the congress of miners. But we would have accepted and understood this too if we had not seen how in the evening this same apparatus used these same coupons to entice some attractive girls.

Is this what they were striving for?

No, it is no easier when the place of one apparatus is taken by another utilizing the same methods, only much more openly, awkwardly and impudently. They got their way. Why pity it, if it once again reached the feed trough for the same reason—to grab power. And, having tasted it, it will never return to the faces and will find a lot of reasons to legalize and justify its current position.

We anticipate the reproaches: one must not fail to see the forest because of the trees. In no case do we want to diminish the importance of the workers' movement. No one knows what our democracy would be if it had not received such powerful support. We have great respect for the leaders of the working class who have kept and are still keeping the huge angry masses of people within civilized bounds, not allowing the strike to grow into a revolt. But we also saw the undergrowth that has suddenly grown up at the site of the recent fire. From above, from the height of the giant leaders, it may not be conspicuous. But it is growing. And who knows whether or not this scrub growth will destroy the forest that they planted for the building of a new house.

We consider it our duty to warn....

Latvian Free Trade Unions' Chairman Interviewed
914F0042A Moscow TRUD in Russian 10 Nov 90 p 2

[Interview with A. Silinsh, chairman of the Board of the Latvian Union of Free Trade Unions, conducted by staff correspondent G. Lapinya: "We Don't Need Fire-works"]

[Text] A. Silinsh, chairman of the Board of the Latvian Union of Free Trade Unions, answers a TRUD correspondent's questions.

[Lapinya] Andris Andreyevich, let us recall the first congress of Latvian free trade unions. A charter of the new association was adopted and a leadership elected, but some of the delegates still doubted the "newborn's" viability. Yet you looked to the future with optimism. Have your forecasts been realized?

[Silinsh] Yes, we have established our union of free and independent trade unions, which has united all 26 of the branch organizations existing in the republic. Even more, because as a result of the splitting up of some republic committees, their number has increased—for example, the employees of fishing kolkhozes have established their own union, and the seamen associated with foreign shipping and others want to become separate. This process is probably inevitable, but in my view it

represents an excessive fragmentation of forces, especially now, when the trade unions' unity is needed as never before. It is perplexing, for example, that the cooperative members on our board are represented by two trade-union organizations, and as far as I know, yet a third organization exists.

The union's structure has been simplified. Organizations supporting the union's activity have been given the right of juridical persons so that they can operate under conditions of economic accountability.

The processes of reorganization will evidently continue, depending on the trade unions' financial situation, which, it must be said, causes serious concern. Calculations have shown that in order to exercise the functions entrusted to it, the republic's trade-union center must receive about five percent of total member contributions. We have repeatedly discussed this figure with all of the organizations, but we have been unable to get further than the unanimous opinion that the centralization of funds is, of course, necessary. This is practically the most complex problem of relations among the union's members.

[Lapinya] If it is not solved, paralysis in the trade-union center's activities is evidently likely, isn't it?

[Silinsh] Unfortunately, that possibility cannot be ruled out. The process that began several years ago with the decision by the All-Union Central Council of Trade Unions to reduce the percentage of deductions from trade-union contributions collected from primary organizations is now becoming an extremely undesirable tendency. Some organizations have agreed to transfer no more than two to three percent of members' contributions to the common pot, and this year the trade-union budget deficit is already reaching 850,000 rubles.

The situation is indeed paradoxical: board members have approved an extensive program of trade-union activities, including serious measures for protection of the working people in connection with the changeover to a market economy, but they themselves are not providing the money to implement the program, while calmly spending it on excursions and picnics.

In short, it will be necessary to cut back on many plans, the benefits from implementing which cannot be assessed in rubles of income. And this is in a situation in which there is a serious dearth of spirituality and culture. The conclusion is very simple: the union of trade unions will work to the extent that it proves able to afford it.

[Lapinya] Are their other disagreements in the union besides the financial ones?

[Silinsh] Inescapably. One result of disagreements, for example, was the absence of our delegates at the 19th Congress of USSR Trade Unions. I participated only as a guest, although some branch trade unions were represented at the congress by delegates from Latvia. At the

same time, the union board deems it advisable to continue cooperation with the USSR trade-union center, since there are a number of problems that we will be able to solve only by working together.

[Lapinya] In all probability, one of the key questions of relations will be that of the trade unions' property, won't it?

[Silinsh] Yes, there is not complete clarity regarding this complex problem either in the USSR or in Latvia, in particular. That also pertains to trade-union health resorts and sanatoriums located on Latvian territory. There is no need to try to prove any more vividly than has already been done where the lack of a specific proprietor has led us. But the approach to the problem should not be oversimplified. In my view, there are four groups of health resort and sanatorium property. In the first place, there are those that existed in Latvia prior to 1940—a separate decision must be made on them. The second group of facilities are those that have been built using the funds of Latvian trade unions. The third group comprises those that have been built with funds of USSR trade unions. And finally, there are the health resorts built using the funds of specific republic and union enterprises. The rights to any given property and the principles of its management should be determined in accordance with the contributions.

[Lapinya] How are relations between Latvia's trade unions and the trade unions of the USSR republics developing, and what about international contacts?

[Silinsh] Contacts with the trade unions of Lithuania and Estonia are, naturally, close and active. A declaration on principles of cooperation was adopted at a meeting of the Baltic republics' trade-union leaders that was recently held in Riga. The need to consolidate our forces manifested itself very sharply, for example, in the attempt by the republic Supreme Soviet to requisition the property of Lithuanian trade unions. Latvian trade unions registered a protest on this account. It was the first such case, but the repetition of such actions cannot be ruled out, and we firmly intend to maintain solidarity with our colleagues in any attempt to infringe on their rights.

We are interested in cooperating and exchanging information with the trade unions of all republics, as well as in contacts with the free trade unions of foreign countries, especially countries of the Baltic region. The first steps in this direction have been taken.

[Lapinya] But your principal field of activity, of course, remains in your own home. The first congress of trade unions ended without a specific program, the drafting of which was assigned to the union's board. Four months have passed.

[Silinsh] In the first place, in contrast to previous vague documents of that sort, our program is aimed at the solution of specific problems of a republic-wide scope that require a concerting of all trade unions' efforts.

Second, there is participation in drafting new draft laws. We worked in detail on the draft law on trade unions that was adopted on first reading by the republic Supreme Soviet. I consider the changes that were made at the trade unions' initiative in the republic's labor legislation concerning a 40-hour work week, a four-week leave for all working people, and other changes to be our victory. On the agenda are laws on employment, the collective contract and social insurance. They should all be adopted at the end of the year, so right now we are in a period of very hard work.

Third, we intend to provide thoroughgoing expert review of the government's actions in changing over to market relations, that is, to evaluate any step from the standpoint of the working person's interests. Despite the fact that extremely capable legal specialists have unquestionably been enlisted in preparing the government's drafts, we have already been able to begin conducting expert reviews.

Fourth, the union of trade unions will undertake the resolution of internal organizational questions, the training of personnel, and so forth.

[Lapinya] When the republic parliament discussed the government's program, the trade unions, while approving it by and large, nonetheless made some serious criticism.

[Silinsh] Yes, at first glance the government's program is extremely attractive, but it contains no answer to the fundamental question of just how a specific person or enterprise will live in a year, two years or five years. The figures indicated in the program are losing their relevance right before our eyes. The minimal subsistence income, which the government set at 100 rubles, corresponded to the true state of affairs at the end of last year, but in a year a person with that hundred will find himself far below the poverty line. We believe that the republic needs clear-cut programs for solving social problems, including the housing problem.

In our view, not all the actions of Latvia's government have been sufficiently thought through. Take, for example, the laws on taxes: each of them taken separately is perfectly acceptable, but no one can say how the package as a whole will affect a specific enterprise.

Let me bluntly note that we do not like the draft Law on Pensions, either—not the draft itself, but what it is intended to do with it: in all likelihood, the government will have to back down on certain of its promises, and yet people have already had their hopes aroused. Moreover, there are fears that a sharp increase in social-insurance rates (and that will be necessary in order to raise additional funds) will result in increasing the unit-cost of enterprises' output, which will mean a price increase. The situation is extremely complex, and it is possible that precisely with regard to this law the trade unions will have to organize mass actions.

In short, the time has come when the government will have to reckon with serious opposition in the person of the trade unions. For us the "fireworks method," which some extremist organizations have willingly employed in order to maintain their popularity, is unacceptable. Latvia's trade unions believe that they should influence the government's actions in the process of decision making. And that requires sitting down at the negotiating table—that is the only rational course.

Provisions of RSFSR, USSR Pension Laws Compared

914F0059A Moscow TRUD in Russian 25 Nov 90 p 2

[Report on interview with N. Malakhatkina, deputy chairman of the Independent Trade Unions Federation Council, by I. Travin: "The Trade Unions' Position of Principle"]

[Text] TRUD has already written about the law on state pensions that was passed by the Russian Soviet Federated Socialist Republic [RSFSR] Supreme Soviet. It has several advantages over the Union Law. For example, one is the size of minimal pensions—100 rubles [R] compared to R70 as per Union law. The procedure of computing pensions is also fundamentally different. The size of a pension is defined by the subsistence minimum and not by the minimum salary. This factor is especially important during the transfer to a market economy. Here is another important thing: War veterans will be able to draw two pensions—a disability one and a general work experience one. This will cover the Afghanistan veterans, too. Mothers of many children have not been forgotten either: They will be entitled to nine years of work benefits, if during that period they raised three children, each of them to the age of three. It is difficult, however, to describe all the positive features of the Russian Law in a few words.

But why do our trade unions dislike some of the provisions of the document? I addressed this question to N. Malakhatkina, deputy chairman of Russia's Independent Trade Unions Federation Council [FNRP].

"It is true that the Russian law provides for the needs of people better than the Union one," says Natalya Dmitriyevna. "However, it did not include many of the decisions adopted at the Murmansk regional FNRP conference. Among these are the decisions on pension benefits for the residents of the extreme north areas, as well as for the victims of the Chernobyl nuclear power station disaster. In this respect, it was very strange to see the PRAVDA information that the criticism expressed by the trade unions in the Supreme Soviet came out of the blue for its deputies. Allegedly, we abstained from saying anything before. But why did we? The parliament had previously agreed with our comments, but those were the comments that became partially "omitted." We can understand the deputies' standpoint: The law would cost "a pretty penny" as it is, where can we find "more" millions? That means we should take them away from

someone. Still, we found a mutually acceptable solution; the deputies complied with some of our demands and we are looking for the sources of financing others. But we agreed on one thing: We cannot leave the poor people without any social protection. As it was said at the Supreme Soviet session, the law is not a dogma; it is always possible to amend it when necessary.

Paroled Criminals Used as Cheap Labor in Chita Oblast Construction

914F0057A Moscow KOMSOMOLSKAYA PRAVDA in Russian 21 Nov 90 p 2

[Article by V. Mikhaylov: "'Chemical' Elements: A Topic for Reflection"]

[Text] The "chemists" who served out their sentences at Spetskomendatura [special wardship] No. 4 on the outskirts of Chita disliked most of all fencing the wall.

The spetskomendatura system which was so successfully imposed on our absurd way of life that it went almost unnoticed. Among the free citizens it was practically impossible to recognize the "chemists," for they were allowed to wear civilian attire. And the dormitories resembled ordinary workers' dorms. Moreover, during the entire time this system existed in the country under the USSR MVD, there were no noisy disturbances—uprisings or other mass demonstrations—that would have attracted the public's attention. At the same time, according to statistical data recently made public they figure very prominently: among the 760,000 prisoners held in the camps as of September, our state had at its disposal 129,500 "chemists." The ratio is about one in six, but in certain krais and oblasts situated largely to the east of the Urals, the proportions are altogether different: in the highly-populous places of confinement in Chita Oblast, for example, for every two zeks "visible" to the public, there is one invisible "chemist."

The "chemistry" phenomenon happened to the Soviet people at the onset of the Thaw: a formula was introduced to the law with great pomp in the 1960's, whereby prisoners "who had firmly taken the path of reform" would receive conditional early release from the colonies. Such a formulation was ideally suited to the dream of the communist paradise which the party had envisaged for the 1980's: the penitent criminal was finally acknowledged to be a person, and was regarded as such. In order that the process would flow smoothly, the spetskomendaturas were set up, and along with them—dormitories with a relaxed regime. And thus another deception in our country was concealed once again behind flowery phrases. At the same time, a great many construction projects were commenced in the chemical industry. On the whole these were in locations where there was a constant shortage of labor resources—in Siberia. And then a force of many thousands of conditionally-early-release prisoners descended on the construction projects—the so-called spetskontingent [special contingent]. And along the approaches to many

Siberian cities, signboards appeared with the ambiguous inscriptions, like: "Angarsk—City of Chemists."

Incidentally, when our great construction projects once again began to gasp for lack of manpower, yet another form of punishment was devised: people began to be sentenced to conditional incarceration that involved mandatory labor, for less-serious crimes that did not pose a threat to society. And the spetskomendatura system became widespread. Chita Oblast possessed all the parameters for "chemicalization": its remoteness, low population, its primitive industry—and its rich tradition, since the time of the Decembrists, of utilizing convict labor. Even now many administrators cannot conceive of themselves as an industry without employing a spetskontingent. I will cite the altogether characteristic opinion of one I. Molotkov—deputy general director of the Zabaykalskstroy [Transbaykal Construction Administration], which employs "chemists" most actively in Chita Oblast:

"Their labor productivity amounts to about 60 percent of that of a freely-hired worker. But in certain sectors it is much more profitable for us to maintain a spetskontingent than full-fledged construction workers, who require apartments, space in kindergartens and the like."

The cost of hundreds of "chemists" is about 30,000 rubles per year. This includes expenses for maintaining special institutions and for paying the police administration; but the conditional prisoner must himself pay for his food, clothing and shoes, and he must also pay for his place in the dormitory.

Enterprises employ a great deal of cunning in maltreating the spetskontingent—they pay them at low wage-rates, do not allow them to increase their skill-levels, and work them at projects which operate at a loss under the plan.

It becomes altogether absurd—a free worker and a "chemist" both push wheelbarrows. The former receives 300 rubles, and the latter—180 at best. Is that a lot? Let's figure it up. A man arrives in a shipment of prisoners, in prison clothes—does he have to dress up? He must. Food, smokes, other trifles. By court decision—these must be paid to the state, according to law. The family must be helped... And he is—reduced to poverty! The majority of those released from "chemistry" bear hatred for the state for many years.

Fear is a reliable instrument for controlling the spetskontingent: after serving their term, they balance between freedom and incarceration and value more than money those crumbs of freedom which they might mercifully receive: permission to go home on leave, if one's wife is local—but after arriving at the spetskomendatura, they can only sign their name to a list for permission to live with her; or simply to go walk around without a guard like a normal person, and go the store or to the bath house. While the law restricts them only with regard to the right of choosing their place of residence and work, a

"chemist" must also endure the "additional" punishment of enterprise administrators who exploit them by their manner and their arbitrariness, and by their miserable wages. According to the statistics, incidentally, a Transbaykal "chemist" receives on the average, not 180, but 150 rubles. Quite a number must be satisfied with 90-100 rubles, and 60 rubles a month is not a rarity. With such "easy" money, the nearly-uprooted "socially-harmful views" of the criminal are elevated once again, become even more harmful, and the penitent is pushed to the point that, in those rare moments when he is unguarded, he reaches into someone's pocket and removes his wallet—and at the same time receives a new term.

Twenty-seven-year-old Nikolay Dragunenkov recently became an ex-"chemist," having served two years in a brick factory under the Chitastroyaterialy [Chita Construction Materials] Administration. "The enterprise was supported only by us," Nikolay relates. "Free workers avoid the factory because of the 130-ruble wages and the production conditions which ruin one's health—no ventilation, dust, heat from the ovens, hot bricks that burn through one's gloves and hands. Many have tuberculosis. One thing is clear: they have brought in people from warm regions (I'm from the Ukraine), and for them a severe climate is worse than the punishment. And if, during the winter with 40 degrees of frost, one runs from the ovens out into the street?"

The road, paved with good intentions about re-education through labor, has led to hell. From the very beginning, the individual approach to the criminal's personality has been a fiction. The state did not require returning people to society, but submissive manpower. Officials in the "correction" system have told me that camp commanders were literally forced to resort to violations: "It is proposed that you prepare so-and-so many people for release, and send them to construction projects in the national economy."

The practice of utilizing spetskontingents at primitive work, far removed from their previous profession, frequently leads to the fact that citizens returning to our society are not able to do anything. The state rejects the people's desires to be of use—actual and not imaginary use.

One man who is serving out his punishment at Chita "chemistry" offers the country almost a half-billion rubles in gold every year, for practically nothing. His name—Timofey Shugarov, who used to work on a team of prospectors. He invented an ingeniously simple device for recovering gold dust during the washing procedure, that had previously been going to the waste heap. The method has proven itself, but it has practically not been introduced anywhere. Shugarov was incarcerated for...grand theft of gold: he went to Chita for analysis of samples; along the way he learned of the birth of a daughter, got drunk, and the police caught him "red handed." His relatives, his lawyers and the press have been struggling unsuccessfully to free the inventor for

two years already. I found Shugarov in the hospital: his stay in the SIZO [possibly, Special Isolation Cell], the trial, the colony and the "chemistry," had seriously undermined his health.

...Nothing under the sun lasts forever. In recent months, the "chemistry" system has suddenly begun to sway. They have stopped sending conditional-release prisoners from the Baltic and Transbaykal republics off to remote Russian construction projects. The brick factory of which I spoke refuses to accept special contingents. The enterprise is operating on a lease basis, and "chemist" labor became unprofitable for it. Ex-"chemist" Nikolay Dragunenko is not in a hurry to move to the Ukraine, and has remained at the factory, where one can now earn 37 rubles in a single day.

Nikolay has come to the plausible conclusion that, "If people were paid fairly everywhere, the economy would not need 'chemistry,' and in general, when they send a person to the end of the world not to work, but to serve out his term, punishment provides no correction whatsoever. If the system of conditional punishment is preserved, then let it be only in a form such as—live at home, with your family, and remain at your workplace, and pay for your violation of the law through deductions from your wages."

Misfortune helped Nikolay to formulate this point of view himself, which coincides with the opinions of many legal experts—although not all. A draft of new criminal legislation gives the blessing of longer life to "chemistry." Practitioners of the system have the dream of receiving the status of a legal person for the spetskomendatura, and the right to conclude contracts with suitable partners. At the same time, not all is well in the camp of the "chemists"—owing to the bankruptcy of a number of enterprises and the elimination of the spetskomendaturas, the earnings of the spetskontingents are falling, and they are becoming increasingly nervous.

...And the fence surrounding Spetskomendatura No. 4, which is on the outskirts of Chita, has nevertheless been patched up a little.

Official on Continuing Uncertainty Over Co-op Status

914F0046A Moscow TRUD in Russian 18 Nov 90 p 2

[Interview with Professor Andrey Vladimirovich Orlov, deputy chairman of the USSR Council of Ministers Commission for Economic Reform, by V. Golovachev political columnist for TRUD: "The Bank Toughens Monitoring: New Governmental Decrees on Cooperatives"]

[Text] Recently, the USSR Council of Ministers adopted the decree: "On Mutual Relations of State Enterprises With Cooperatives Created at Them." Again, for the umpteenth time, another decision (the last one?) is being made on cooperatives. The fact of instability, in and of itself, and the constant changes in this sphere, on which

so much hope has been placed, makes one wonder. The document itself also raises many questions. Its adoption, whether its authors wanted it or not, can lead to a reduction in the number of cooperatives, particularly those that are part of enterprises. How can such a direction of the decree be explained? Why have cooperatives again found themselves in disfavor? Our conversation with Professor A.V. Orlov, deputy chairman of the USSR Council of Ministers State Commission for Economic Reform, was devoted to these and other questions.

[Golovachev] Andrey Vladimirovich, what gave rise to the adoption of this decree?

[Orlov] The present crisis in our economy is largely the result of a catastrophic financial imbalance. Neither in the postwar period nor in the 1930's was there such a rapid growth in the population's monetary income, which is not supported either by a corresponding output of products or goods in the stores. A sea of money has rained down on the economy, and it is choking in this stormy torrent. They are "squeezing" more than 120 billion rubles in their hands, and of the 360 billion in the Savings Bank there is still a minimum of 100-120 million in "hot" rubles. We have 200-220 billion rubles in money not supplied with goods and unsatisfied demand. I will cite several more facts. The population's monetary income during the first nine months of the year was 461 billion rubles. It is not this figure in and of itself that is important, but the fact that income increased by almost 59 billion rubles compared to a similar period last year, while both the gross national product and labor productivity decreased. That is to say, huge sums of money paid out turned out to be essentially unearned.

[Golovachev] How does this take place in practice?

[Orlov] There are several ways. I will not talk about all of them, but will only touch upon cooperatives. Monetary incomes here are increasing disproportionately faster than the growth in goods and services produced by cooperatives directly for the population.

Today we have 210,000 cooperatives in which 5.2 million people are employed. The total volume of goods and services accounted for in this sphere is more than 50 billion rubles for the year. But here is what is typical—the vast majority (more than 80 percent) of the cooperatives are organized either at enterprises or as a part of them and do not go out directly to the consumer market. That is to say, to a considerable extent they operate for intraproduction needs, covering the enterprises' "bottle-necks." For example, they supply some kind of assembly parts, semimanufactures, or components to some or other shop (section). The consumer market receives only about 10 billion rubles worth of goods and services directly from cooperatives. The difference between 50 and 10, I think, is quite substantial...

Is this by chance? Of course not. Analysis has shown that both state enterprises and the cooperatives themselves very often use any opportunity to turn noncash financial resources into cash. Here is "their" mechanism. For

example, they sometimes pump funds from the enterprise's development and social support funds into the cooperative, turning it into cash. The pretexts, of course, are plausible. In addition, that same plant shop, having become a cooperative, can sharply increase the prices for its products (and so, personal income of the workers, too). Some washer or nut becomes gold. Is this good for the enterprise? Of course, for the output of the cooperative (in rubles) is added to the plant's output. The volume increases and so does the economic incentive fund and, consequently, the wage and bonus funds.

[Golovachev] What is to be done with the increase in production costs and the decrease in profits?

[Orlov] The plant can handle this. How? I will not disclose the roundabout, "ingenious" ways so that directors who do not know these loopholes do not take advantage of them. But the overall picture is such: having made any shop or production facility a cooperative under the enterprise or as a part of it, they can begin pumping money into it without justification, using machine tools, critical equipment, critical materials, raw materials, and so forth. I have not even mentioned the nearly unlimited opportunities to produce products unaccounted for. The consumer market is in ruin, but here the picture is different...

[Golovachev] In many respects, I cannot agree with you. If there are swindlers violating the law, then the appropriate authorities should identify and punish them. If just more mistakes were made in elaborating the fundamentals of the cooperative sphere, this should be said directly and weighty arguments cited. It is no good to harass cooperatives all the time. They no sooner begin to stand on their own feet when they are hit with another blow. And in this case it is quite astonishing—after all, the government stood completely behind cooperatives at enterprises. Trade and purchasing cooperatives were declared speculative and killed (experience has shown that this was a mistake), and now is it production cooperatives' turn? Cooperatives are helping to revive the economy. Is it worth dashing about in a flap and adopting a decree if in less than two months we will have completely different economic conditions and a different tax system?...

[Orlov] I will answer in sequence. I agree that it is no good, as you said, "to harass cooperatives." However, earlier the government pointed out the hasty system of financial relations between cooperatives and their enterprises and gave its suggestions. Unfortunately, not all the suggestions were supported in the committees and commissions of the USSR Supreme Soviet when they passed the USSR Law "On Making Changes and Additions to the USSR Law 'On Cooperation in the USSR'." If a mistake is made, it must be corrected, although it is always more difficult to correct it.

Now about why we cannot wait. The financial situation is rapidly destabilizing. Each month here is of great importance...

[Golovachev] The government's assessment of the situation is more or less clear. What is the essence of the decree that was adopted? Will it help to correct the situation?

[Orlov] I will emphasize at once: this involves only cooperatives that are not operating directly for the consumer market, primarily those that are "part" of the unified production cycle of state enterprises. For them the decree calls for a review before 1 January 1991 of the contracts concluded with their enterprises. The point is to organize mandatory monitoring of the results of activities of the corresponding cooperatives and wage payments.

[Golovachev] But there is monitoring now...

[Orlov] Only on paper. Only auditors can make an in-depth inspection. Usually everything is lost in general documentation. Now a new mechanism is being introduced, let us put it this way, one of sufficiently strict banking monitoring. It was decided that beginning 1 December of this year, state enterprises will make all monetary transactions with cooperatives created under them only through special sub-accounts. These accounts are opened in banking institutions servicing the servicing the enterprises. Here is what is important: funds for wages transferred by the enterprise to the cooperative are shown separately in the documents. And the wage fund of the enterprise itself is decreased by the amounts transferred to the cooperatives for this purpose.

[Golovachev] That was also the way it was before.

[Orlov] Again, only on paper. The opening of sub-accounts now will make it possible to monitor the situation decisively.

Another thing is important. State enterprises do not have the right to transfer money to citizens' accounts through savings banks and other banking institutions from any of their funds except the fund intended for wages. In doing so, income tax and other payments are made to the budget in accordance with the law.

[Golovachev] The USSR Council of Ministers has adopted a decree, but where are the guarantees that the union republics will implement it? Would it not have been better to coordinate these measures with the republics in advance?

[Orlov] This is part of the overall question of division of functions and strengthening executive discipline. I hope that much will clear up after adoption of a Union Treaty. But for the time being we cannot sit with our hands folded...

As far as the union republics are concerned, Lithuania, for example, has adopted a far more rigid decision regarding protection of the consumer market. I quote: "To recommend to city and rayon governments to decide the question of halting the activities of cooperatives operating at state enterprises and in institutions

and organizations." As we can see, the union government still did not take the path of a total administrative ban on such cooperatives...

[Golovachev] I have been told that there was not unanimity in the government when discussing this decree. Opinions were expressed against its adoption...

[Orlov] I do not see anything terrible in this. It normal to have different opinions...

[Golovachev] One does not have to be a special analyst to predict that many production cooperatives now will close when they are "pressed" financially. "Bottlenecks" will again form at enterprises. Was thought given to this? In general, were the negative consequences of this decision miscalculated? After all, it certainly will have an effect on the declining authority of the union government. The closing of cooperatives will cast thousands and perhaps millions of people out into the street, economic ties will be broken off, plants will begin having problems... Did someone analyze this, or are we again operating under the principle of "Engage in battle, and later we will look at it"?...

[Orlov] Of course, a special analysis was made of the possible consequences before the decision was made. I will say frankly that it did not come easy. I cannot deny that the consequences may be far from the happiest ones. We examined various variants. Under the most unfavorable one, hundreds of thousands of people may encounter temporary difficulties. (If a cooperative closes, that means jobs are eliminated.) But at the same time, I will note that there are several million vacancies at enterprises today. Although the situation may become more complicated in areas with a labor surplus, they will have to deal with the problem of unemployment more vigorously.

Difficulties may also appear at a number of enterprises, particularly in those cases when cooperatives are a part of the unified production process and have a monopoly on supplying assembly parts. On the other hand, however, we must create small businesses of various forms of ownership more boldly and more quickly. On the whole, it is fundamentally important to support and develop enterprise in every possible way. In this regard, an appropriate USSR President Decree is needed.

Finally, about the budget losses from the nonreceipt of payments if cooperatives close. In the worst apportionment, the budget may not receive about 8 billion rubles... Other aspects were also analyzed. Now, I think, it is understandable how difficult it was to take this step. There are quite a few negative sides here. But in weighing the "pros" and "cons," the government still decided that the struggle with a monetary flow that is choking the economy is the most important task. Naturally, the steps taken are forced and acceptable only for the initial stage of the stabilization period...

Co-Op Status, Problems Described

Official On Co-Op Law

914F0036A Moscow PRAVITELSTVENNYY VESTNIK in Russian No 42, Oct 90 p 5

[Article by Yu. Khachaturov, Deputy Director of the Department for Economic Reform of the State Commission, USSR Council of Ministers: "For You, Cooperators"]

[Text] We are commenting on the changes and supplements to the USSR Law, 'On Cooperation Within the USSR'

"The 'Law on Cooperation' appeared over two years ago. However, practical experience quickly showed its imperfections. Soon entangled in departmental instructions and supplemented with revisions, it has become, in my opinion, an unintelligible document. But not that long ago the USSR Supreme Soviet adopted additional supplements and revisions. Since I did not find details in your newspaper, I ask that you tell us about the essence of these additions and changes in the USSR Law, 'On Cooperation Within the USSR'." [Signed] A. Petrenko, city of Blagoveshchensk.

Their main purpose is to equalize rights for cooperative forms of property with all others.

A more precise order for creating cooperatives is being introduced. The requirement for mandatory state registration of cooperatives and the issuance of licenses to them for the right to be involved in different forms of activity, the list of which is determined by the laws of the USSR and union and autonomous republics, is a new organizational measure. It has been determined that the cooperative cannot implement the functions of the organs of state administration, control and supervision as well as of inquiry, consequences and justice.

Proposals on the elimination of the cooperative have also been made more precise. As the basis for this decision certain factors have been introduced as a supplement, including a long-term (over six months) insolvency on the part of the cooperative and the absence of production-economic activities in the course of the year from the moment of registration or the non-resumption of operations that had ceased a year after the last income declaration.

The order for lodging complaints about decisions by the executive committees of local soviets concerning curtailing operations of a cooperative is being changed; the given decision can be appealed through the courts in the course of a month. Only after the month has passed does the decision of the executive committee go into effect, and in the case of an appeal—after the court's decision goes into effect.

As we know, a significant portion of cooperatives belong to various unions and associations, the registration of which was not foreseen previously. This resulted in

various types of misunderstandings and violations, especially in the course of implementing economic, including foreign, trade operations. For this reason state registration of cooperative unions and associations in the order established by the laws of union and autonomous republics has been implemented.

Supplements and alterations of the law have also touched on bringing order to the financial operations of cooperatives. Here, in particular, it has been determined that according to their obligations cooperatives implement accounts with state, cooperative and other public enterprises, organizations, and institutions without a cash transfer via bank institutions except in cases foreseen by law, and with citizens—either without cash transfer or with cash-in-hand.

Many difficulties and abuses arose in connection with the fact that cooperatives had several accounts. Now cooperatives will have the right to open one current account in the bank where they are registered locally or in another bank with the former's agreement. Its affiliates (departments) and representatives may open current accounts at the place where they are located (sub-current accounts of the cooperative).

Today the most urgent problem is control over the operations of cooperatives. The supplements strengthen it considerably. For example, it has been foreseen that the cooperative will bear full responsibility for adhering to credit agreements and accounting discipline. With the violation of obligations in credit agreements in terms of the timely repayment of credit and its material security the bank can demand the repayment of the entire loan without disputes. Now cooperatives are obliged to introduce bookkeeping and statistical reports and to bear the responsibility for their authenticity and timely delivery. The basic document that certifies the income of the cooperative and of the individuals working in it is the income declaration.

The forms for implementing revisions in the financial-economic operations of the cooperative are expanding. For example, resolutions on possibilities for recruiting auditing organizations (firms) or corresponding unions (associations) of cooperatives are included.

It is understood that a strengthening of control does not have to infringe upon the independence of cooperatives. However, in those cases in which the act that has been passed by control organs violates the requirements of the law the cooperative has the right to turn to the courts or to arbitration.

The new laws do not allow administrative workers and specialists from organs of state administration, whose functions include the implementation of controls over the operations of cooperatives, or administrative workers of enterprises, organizations and institutions in which the cooperatives have been created, to join or work in cooperatives according to labor contracts.

We must also note another detail. Property responsibility of the members of cooperatives in terms of the debts of cooperatives is increasing. Now it has been firmly established that members of the cooperative bear a responsibility in terms of debts according to the order, size and conditions foreseen in its statutes. Here the limits of responsibility of a member of the cooperative cannot be less than his annual income.

A measure that is directed at protecting the rights of consumers who have concluded contracts with cooperatives in case the latter do not live up to their obligations is the creation of insurance (reserve) funds in an amount of no less than five percent of the annual income remaining to them after budget and bank accounting.

The USSR Supreme Soviet has passed a resolution on the order for implementing the aforementioned law, which foresees that the revisions that have been adopted go into effect on 1 October 1990 and cannot be revoked.

Price List Impact on Co-Op Kolkhoz Market

914F0036B Moscow *RABOCHAYA TRIBUNA*
in Russian 26 Oct 90 p 1

[Article by V. Noskov, Nizhniy Novgorod: "The Price Lists 'Bite'"]

[Text] The Central Kanavinskiy Cooperative-Kolkhoz Market in Nizhniy Novgorod. Poor people sit and stand at the entrance. A few coins glitter in the extended hands of the old people. Visitors with concerned faces hurry to the market past these old men and women. How not to notice them? The wallets of the visitors are also not bulging. Can it be that the trading ranks of the largest markets in the city of half a million have become so impoverished?

I came here with Aleksandr Barkunov. By profession he is a driver; he drives a passenger car. Today he is off and his wife has sent him to market. At home they have two sons—a 10-year-old and a 7-year-old. They need vitamin products—apples, grapes, watermelons and other things.

"My wife has exhausted herself running around to stores," says Aleksandr. "All of it is to no avail. People gather, but there is nothing to buy. If something does exist, it is of such a quality..."

What is true is true. After all, even I visit the city's vegetable stores almost daily. During the day there is a crush of people here; people expect that something will be brought. But the produce that arrives is not of the best quality by far—the cabbage is old, the potatoes are dirty and the carrots and large onions are rotten. That is the entire assortment. At the height of the fall season you will not see green onions, parsley or dill in the stores. In the evening, when people are returning from work, the stores greet them with empty shelves. So that if you want to have fresh vegetables and fruit on your table, take a break from work, but if you cannot, then go to the market.

We began our tour with the pavilion where vegetables, fruit and greens are sold. In contrast to city stores, the selection here is a good one. Although one does not see any lines, the owners of the vitamin-rich produce put out handwritten, hand-made price lists. Probably they became tired of telling everyone who was interested what everything cost. Look at the price list and don't argue—if you want it take it, if you do not, then leave the stand without comment. But the prices did not especially gladden me or Aleksandr.

Judge for yourselves. Pears are 7 rubles per kilogram, grapes and pomegranates—5 rubles, apples and tomatoes—3 rubles, cucumbers—almost 4.5 rubles, fresh cabbage—2, carrots—1.5 rubles, and potatoes—60 kopecks. Melons cost 2 rubles and watermelons—1.50 rubles. Parsley costs 40 kopecks and dill—the same.

"No, I will not buy anything here," said my driver. "It would be better if my wife took off work during the day to go shopping from store to store. We cannot afford the purchases here."

His wife, Larisa, works at Orbita Plant. She earns 180 rubles per month. Alexander's earnings are 200 rubles clear income. They have a total of 380 rubles. Really, how does one live on such a sum? After all, it is also necessary to dress and to buy footwear. Aleksandr and his wife are just over 30 years old. They want to wear modern things. Only these kinds of things also cannot be bought in stores, and speculators ask such prices that the monthly income barely covers the purchase of a pair of winter boots for Larisa. Moreover, the children also need footwear and clothing for winter.

While listening to these comments from my companion I invite him to go to the meat section. Honestly speaking, he agrees to go there without any optimism. It turned out he was right—there is no point in coming here.

Honestly speaking, the prices here bite—beef is 18 rubles, and pork—15 rubles. Per kilogram. Half of the sales space is empty. Evidently this is why workers of some sort of cooperative have settled in here, selling freshly-frozen tolstolobik [name of fish] for 3 rubles 60 kopecks per kilogram. Nearby stands an old woman offering to sell 3 liters of milk for 6 rubles. So that's that!

By A. Barkunov's upset face it was clear that he would not buy anything here either. Probably in order to make himself feel better, he said to me:

"I will not buy anything here. We'll make do with what is coming to us with coupons. We will buy everything in stores." "Oh, that will hardly be possible," I thought. But I did not begin to disappoint him. After all I myself also live on coupons and know how they are turned in for products. This month Nizhny Novgorod residents

received quite a number of them—just for produce they received 6 coupons per person. Meat products, confectionary items, sugar and wines and vodka—everything must be purchased by coupons and in very limited quantities. The deputies of the city soviet have called this a "rationing system." But they did not explain to the population how they developed norms such as 1.5 kilograms of meat per capita, 30 grams of confectionary items and so forth. How is it possible not to exist but to literally survive while receiving such miserable rations? This applies not only to the Barkunov family, which according to official statistics can be included among those who are on the border of poverty. What about those who can really be called paupers even though they do not decide to stand outside markets with hands extended for mercy?

I had an opportunity to talk to the directors of city trade—prospects for Nizhny Novgorod residents are not good up until the end of the year. As of now significantly fewer vegetables and fruits have been procured than last year. Funds for meat products have been curtailed and right now even these exist only on paper. The standard of living of the people of Nizhny Novgorod, honestly stated, has dropped to such a degree that it can only be compared to the post-war period. Few people believes in the rapid changes that will occur, as our country's leaders promise, with the transition to market relations. At least in the Barkunov family there is no such hope. On the contrary, the husband and wife expect a deterioration in their lives.

This is not without foundation. Here is an example. Literally days ago I chanced to be in Oborona Strany Kolkhoz, Pilninskiy Rayon. With surprise I learned the following news. The members of the enterprise's administration had recently passed a resolution to sell the population piglets in a live weight of 8 rubles per kilogram for fattening. This means that in the future prices for meat would increase even further in the market, just as for vegetables and fruit.

I must honestly admit that I do not want to end on such a pessimistic note, and here is why. I am acquainted with enterprises in which directors have become personally involved in problems of feeding the people. An example is V. Kopylov, director of the television plant.

He and his deputy travelled to the southern regions of the country, to the Far East and to Siberia and concluded contracts for the delivery to the enterprise of vegetables, fruit, meat and fish. Moreover, the plant has begun, on the grounds of some lagging kolkhozes in its oblast, to develop an auxiliary enterprise in which it has already begun to raise livestock and vegetables. The food products from here have begun to arrive in plant cafeterias as well as to be available for purchase by workers of the enterprise. Let us remember this example.

Co-Op Faces Red Tape in Store Buy-Out

914F0036C Moscow SOVETSKAYA ROSSIYA
in Russian 6 Nov 90 Second Edition p 2

[Article by Yu. Nikolayev, A. Orlov: "Privatization With a Club"]

[Text] Well, privatization has begun!...For the most part it has been implemented in an organized manner.

We arrived at the Zelenograd Trade Center (Store) Number 4 when passions had reached their zenith and when there was nothing left here but the bare walls. Workers of the trade enterprise and people's deputies of the city soviet had almost merged in earnest. Between the "walls" a confused police sergeant was shoving his way, begging:

"Citizens! Calm yourselves! Disperse, citizens!..."

An excited woman turned to us:

"I never would have thought that the Soviet authorities could mock the people so!..."

Colleagues supported her in a friendly manner.

"What kind of Soviet can she be?..."

"Even so we will not go into the service of the gentlemen from Regul!"

"If you are going to be restive we will throw you out in the street!"—this was the hysterical voice coming from the other row...

We will cut the report from the place the events are taking place. Later we will have the opportunity to return to the evening of 31 October, but right now let us look at the sources of the conflict that was becoming more and more exacerbated not by the day but by the hour.

On 24 July 1990 the presidium of the Zelenograd city council of people's deputies passed a resolution to "lease Ovoshchi store in the 14th microdistrict to Regul Cooperative for a period of 5 years with the right to buy out the store." But we still have to wait for this, for its construction. Regul turned its eye to another trade center. The chairman of the Zelenograd city soviet, A. I. Kudrya, revised the previous document. On 31 July he gave the cooperative "the right to buy out" another "store in the fourth microdistrict after repairs..."

The features of this entire story are very revealing. As A. I. Kudrya writes, he changed the address of the future Regul property "with the goal of maximally taking into account the opinion of the city's residents..." But you will find not the slightest justification of this because the residents were not interested in the future of the store that was being repaired. The change of address was a complete surprise for the salespeople as well.

"On the 30th I left for vacation," recalls A. S. Semenets, director of the Zelenograd city trade organization. "They

did not even let me know about the planned transfer of one of our best stores to the cooperative."

Do we need to add that in the labor collective too the news about the change in store ownership made an impression like that of an exploding bomb. Director M. I. Petranin was taken to task by salespeople, cashiers and clerks...

"Why weren't we consulted when the store was sold with its personnel?" they seethed.

Here the people who had gathered decided to lease Store Number 4 themselves, with subsequent buy-out. Alas, the city soviet did not agree to this.

Resistance began. Of course the city soviet had a real opportunity to stop the conflict at its very beginning and to avoid the growing social tension in the city. However, it did not want to use this avenue. Moreover, the new city fathers did not want to consider the basic vital interests of a large collective of a trade enterprise.

Repairs on Store Number 4 began 2 years ago. Naturally, a significant portion of the salespeople and cashiers left temporarily for other places of work. But many remained to help the builders. By the end of renovation 105 former workers returned to their home base. Twenty eight new people were hired. At a meeting of the collective of 133 workers 132 voted not to give the store to the cooperative but to take it into their own hands. As we can see, for today's times the unanimity was rare.

The surrounding population in the suburbs expressed serious concern for the fate of the trade center. The first protest to the authorities was lodged by the territorial party group of war and labor veterans. Then there was a conference of consumers and residents of the fourth microdistrict. Its participants collected about 1,500 signatures demanding the revocation of the hasty decision that infringed upon the rights not only of the store's labor collective but also of all consumers.

The city soviet called an "alternative conference" in one of the schools, but found no support there either. Nevertheless it continued, with enviable stubbornness, its forced privatization. On 15 August the decision on the transfer of Store Number 4 to the cooperative was also passed by the city executive committee. According to its demands, on 25 August a contract would be worked out with the trade organization for the leasing of the facility occupied by the store and it would be in effect until 31 December 1993...It does not take into account the fact that the trade organization had spent 460,000 rubles for renovation, i.e. double its remaining value...

Naturally, workers of the "fourth" turned to lawyers for clarification. They received a simple answer: "The legal conflict that has arisen in this situation can be solved by transferring the property attached to Store Number 4 via leasing following a competition on the basis of Article 23 of 'Bases of USSR and Union Republic Law on Leasing,'" wrote I. V. Shmanenko, senior assistant to the

public prosecutor of Zelenograd to them. "When doing this the prevailing right of the labor collective to receive the aforementioned property for leasing must be taken into account."

It would seem that this was the answer! What could be simpler than to have a competition. Whoever proposed the best use for the former state property would have the better chance. Of course this would mean privatization without losses to the best people, and in the given case—to the store workers and residents of the microdistrict. But the directors of the city soviet did not want to utilize this variant. Evidently they understood that this would mean they would have to change their previous decisions. This is why they preferred to increase administrative pressure. Another illegal resolution was passed—to fire A. S. Semenets, director of the Zelenograd trade enterprise, "so that he does not interfere with privatization." Aleksandr Semenovich refused to adhere to this ruling, stating reasonably:

"I concluded a labor contract with Mosgortogr [Moscow city trade organization]; it is up to it to judge or show mercy..."

Then on 21 September a session of the city soviet pulled the screws tighter. It decided to fire the trade organization en masse! So that's the way it is! So that's what they are like!

More and more new organizations, responsible individuals and public representatives were pulled into the orbit of the conflict. Naturally, more and more questions arose which the initiators of privatization with a club could not answer intelligibly. The first question was why it was Regul in particular that was shown preference? This scientific-production cooperative was created in the electronics institute and its wholesale enterprise. It had never before been involved in selling produce. In Zelenograd in general no one knew what the people in Regul do. It is said that the enterprise was supposed to make radiometric devices and dosimeters, but no one has really seen any of its products.

The presidium of the city soviet had decided to transfer to Regul the first and then the second store "with the goal of improving the work of the city trade network and of creating an alternative trade network as well as to improve the supply of food products to the city's residents." The intentions appeared to be good ones, but what was behind them? The presidium's resolution planned for the future sale in the store of no fewer than 10 tons of meat products and 200 tons of fruits and vegetables according to contracts. Yet this is several times less than Store Number 4 sells now (for the sake of comparison, in October, for example, with all of the shortage of meat it sold the population 46 tons according to state prices).

Subsequently the city executive committee "made more precise" the volume of goods turnover and proposed that the cooperative increase it to at least 10 million rubles. Yet even in this case there is no reason for the change in

ownership if we consider that the monthly goods turnover of the store even without privatization reached 12 million rubles.

"People are protesting the transfer of the store to the cooperative, but to no purpose," E. M. Perekalin, chairman of the trade commission of the city soviet, tries to assure us. "They do not understand its advantage."

"And what is it?"

"Through direct ties Regul will supply city residents with a supplement to allocated funds."

A great deal has been said about this "supplementary production" from the podium of the city soviet as well. But where it will come from no one has said. In the city trade organization not a bit of this argument is left intact.

"If the cooperative has supplementary food resources nothing interferes with its selling them through the existing trade network."

We notice in the exchange of opinions with us and in talks with consumers, which we were witness to, that the enthusiasts for forced privatization try to avoid speaking in detail about the fate of the collective of the trade enterprise that is being privatized. Incidentally, the bases for alarm here are of the most serious kind. First Regul representatives told the store's workers:

"We don't need you."

Then the cooperative "became kinder," saying they would let people work if "they hadn't yet made it past 35 years of age." What about those who are older? Are they being put out into the streets?...

Not only trade workers but consumers as well came out firmly against such an approach. The cooperative is again changing its tactics, promising to take the store together with the salespeople, cashiers, packagers and clerks...Again they are being sly.

"Is it difficult to count how many of us will remain here?" says M. V. Zaytseva, deputy section director. "Even if the volume of goods turnover remains the same as ours, a third fewer products will pass through the same trade space since prices will be triple our prices. This means that our collective will be one-third smaller. Isn't that clear?"

We do not think that A. I. Kudrya, chairman of the Zelenograd city soviet, A. A. Ishchuk, chairman of the city executive committee and their deputies misunderstand something here. Evidently, they are continuing in their stubbornness because of some kinds of different ideas and are not considering the interests of consumers and trade workers. Otherwise, for example, how can we explain the appearance of the order of the city executive committee chairman, Number 169-r, of 16 October 1990. With this document the directors of the trade organization ordered that "as of 22 October the delivery

of food to Store Number 4 is to be halted," that "before 25 October of the current year all food products are to be removed from the given store and the facility and equipment is to be prepared for transfer to the Regul cooperative," and that "before 25 October the question of employment of workers of Store Number 4 is to be decided."

It is understandable that this order could not be fully carried out within the established period of time. Nevertheless, the document states in black and white and in an unwavering hand: "If the trade organization does not implement the given order electricity and water to the store are to be cut off..." You read these lines, and honestly, you feel chills running up and down your spine. How could they get from under the grasp of those who embody Soviet power in the city?

It would not be out of line to remember the following. The uninvited order of the Zelenograd city executive committee was issued four days after the appearance of the Decree of the USSR President, "On Measures to Protect the inviolable rights to property in the USSR." Or was this state normative document not an order for Zelenograd authorities?

One does not tire of being surprised by the stubbornness with which the directors of the city soviet and its executive committee defend the narrow mercenary interests of a group of cooperators. No law will stop them. It seems that they did not even flinch when on 23 October 1990 the executive committee of the Moscow soviet revoked Zelenograd's illegal decision concerning the transfer of the facilities of Store Number 4 to Regul. This decision had no effect whatsoever. In response they are doing their own thing here...The document is worth presenting in full:

[Document] Decision 14/4-21

30 October 1990

Despite the decisions made earlier by the third session of the city soviet and presidium of the city soviet, Store Number 4 still has not been transferred to the Regul cooperative, which resulted in the cooperative's refusal to deliver a number of products that are in short supply and to delay a number of deliveries to a later time.

Considering that supplying the residents of the city of Zelenograd with food products is an important task of the soviet and its executive committee and, considering, in connection with the growing shortage of food, the transfer of the facilities of Store Number 4 to the Regul cooperative to be an unconditional public necessity, the city soviet has decided:

1. To Comrade A. A. Ishchuk, chairman of the executive committee:

—under personal responsibility to implement the fulfillment of the decisions of the 3rd session of the city soviet concerning the transfer of Store Number 4 to the Regul cooperative;

—to provide work for the liquidation commission as of 30 October 1990;

—to report on 1 November 1990 at the 4th session concerning the course of implementation of the given decision.

2. To consider it essential that the people's deputies of the Zelenograd soviet participate in the implementation of this decision.

[Signed] A. N. Kudrya, chairman of the city soviet.

As we can see, the deputies who came to power through the rejection of the command-administrative system are utilizing its methods to the hilt. We would like to focus attention in particular on the second point in the document, on the basis of which on this day a team will start to be made up to implement forced privatization...

Now let us return to the beginning of our report. On 31 October trade directors of Moscow and Zelenograd and A. A. Ishchuk, chairman of the Zelenograd city executive committee, came to Store Number 4...The workers of the store were gathered together. It was proposed that everyone together think about a solution to the existing situation that would incur the fewest losses to both parties. The discussion was not a simple one—there had already been too many insults to the labor collective that was defending its lawful rights. The knot had to be untied...But at the very heart of the prolonged sharp discussion an alarmed woman's voice was suddenly heard:

"Why are you sitting here discussing and bargaining when the deputies are sealing up the store. They are taking it by force!"

"We won't allow it!" the ranks of those who had gathered leaped forward.

We have already mentioned what happened next. Very little is left to add.

Regul cooperative did not take part directly in the attempt to seize the store. At this time its representative sat in his car, which was parked near the building, and gave orders to a citizen who kept running to the car with reports. This was one of the deputies, as it was explained to us. It was difficult to look at this. We very much did not want to believe that someone's tight wallet was directing the actions of Soviet power.

In conclusion we must recall two documents which are rejected forcefully by leaders of democratic movements. One of them was a widely-circulated shorthand report of the conference of the Moscow Association of Electors, which took place on 16-18 September 1989. It for the first time stated the demand that "in order to achieve general popular indignation, to bring the trade system to such a state that it will be impossible to acquire anything..."

The second document is the notorious "Program of Action-90." The reader has probably noticed for himself by our story just how much it coincides with the scenarios by which events are developing in Zelenograd.

MOTOR VEHICLES, HIGHWAYS

Minister on Yelabuga Plant, Auto Industry Future

914H0037A Moscow *RABOCHAYA TRIBUNA*
in Russian 6 Nov 90 p 2

[Interview with Nikolay Andreyevich Pugin, USSR minister of automotive and agricultural machine building, by L. Ambinder, *RABOCHAYA TRIBUNA* correspondent; date and place not given]

[Text] The USSR government has adopted a decision to establish a joint Soviet-Italian enterprise in Yelabuga and further expand our domestic automotive industry. The adopted decree sums up the discussions concerning the fate of YelAZ [Yelabuga Motor Vehicle Works]. Our correspondent has talked with N. Pugin, USSR minister of automotive and agricultural machine building.

[Ambinder] Nikolay Andreyevich. What is the essence of the government decree?

[Pugin] First of all, it has been decided once and for all that the Panda automobile, which Italian specialists have designed, will be the item produced during the first phase of the Yelabuga Motor Vehicle Works. In addition, the YelAZ-FIAT joint enterprise will be located on the Yelabuga site and produce models with the standard title of A-93. This is our joint design already. The ministry has been instructed to sign an agreement with FIAT. I would like to make a digression here. The Panda will be produced in several modifications at Yelabuga. One must especially single out the 4X4 all-wheel drive version of the Panda. According to my deep conviction, it will greatly interest rural inhabitants. The A-93 design will be the basic one for subsequent YelAZ models.

[Ambinder] The country's motor-car enthusiasts are primarily interested in when the production of automobiles will begin in Yelabuga.

[Pugin] As you know, they are developing a capacity for assembling 600,000 automobiles a year at YelAZ. The first phase for 300,000 should be launched in 1993. The timeframes for its expansion are also being determined. In particular, 50,000 Panda vehicles will come off the YelAZ assembly line during that same 1993. The full design capacity will be developed in 1995. The commissioning of the joint enterprise's second stage of the plant and the production of the first 10,000 A-93 automobiles are planned for 1994. The joint enterprise's design output should be achieved in 1996.

[Ambinder] Our readers are expressing doubts in their letters about the Panda's competitiveness....

[Pugin] The Panda is now one of the most popular models of its class in the European marketplace. There is also the fact that FIAT itself will purchase a portion of these vehicles for subsequent sale using its own firm service network. This testifies to the correctness of our

choice. At the same time, the Yelabuga Panda will be adapted to our road and climate conditions.

The Italians believe in us and regard us as serious partners. At the present time, an agreement has been achieved with our partners concerning another unusual deal. Beginning in 1991, we will receive from FIAT 90,000 Panda automobiles over the course of three years for sale in our country's domestic marketplace for hard currency of the first category. This will help us to alleviate the Yelabuga project's hard currency strain on the country's budget. In addition, the 90,000 additional vehicles will be a serious support for our consumer market and—what is of no small importance—the hard currency from purchasing foreign automobiles will not flow out of the country. We will later return the same 90,000 Pandas to the Italians but from the Yelabuga assembly line.

[Ambinder] What will be the selling price of these Italian vehicles for us?

[Pugin] About 5,000 dollars.

[Ambinder] Good, but does not the fate of previous government decisions await the new one on the Yelabuga Motor Vehicle Works? You see, they were not fulfilled—as is known.

[Pugin] No, and here is why. The previously adopted USSR Council of Ministers decree on constructing the Yelabuga complex could not have actually been completely realized because decisions concerning the item to be produced and the currency support of the project were lacking. This caused doubts about the project's practicability among numerous cooperating enterprises—and participants in the construction. These questions have now been removed. Of course, this does not at all mean that every difficulty in the construction project was eliminated at one go. One of the most serious problems is financing and logistics, all the more during the transitional period to a market economy. We expect that the construction project will be in the state order and that we will find complete support in the government. Consequently, centralized material and financial resources will be allocated. This problem will be resolved in 1991.

[Ambinder] The personnel problem threatens to turn into a very serious one for the Yelabuga Motor Vehicle Works. It is no secret to anyone today that the plans for housing and civic construction in Yelabuga are being realized, to put it mildly, at inadequate rates. Essentially, they have simply been disrupted. Where do you see the solution of this problem to be?

[Pugin] A difficult question. The previous contractor, Kamgasenergostroy, will fulfill the major amount of the social area's expansion. The 140,000 square meter YelAZ large-panel house-building plant will start operating next year. However, the assistance of construction organizations in other regions of the country will clearly be required until its capacity is achieved.

[Ambinder] Thus, the entire account consists of centralized allocations and resources? Or are nontraditional ways being provided?

[Pugin] Without a doubt, nontraditional economic ties will be used during the construction of the Yelabuga Motor Vehicle Works as market relations are strengthened. First of all, there is the establishment of a consortium with enterprises and organizations, the participants in the construction and subsequent operation of the Yelabuga Motor Vehicle Works.

The unusualness of this investment plan lies in the fact that both the state and the labor collectives will be investors. Individual investors, who will become shareholders, are also provided for. The shareholders are equal. Each party takes possession of that quota of finished automobiles which corresponds to his monetary and material contribution. Under the latter is meant the complete delivery of material, equipment and construction services to the Yelabuga Motor Vehicle Works. This will create a distinctive type of power field around the construction site, in which the interests of all investors will be closely intertwined. In our view, this is a higher type of cooperation than under the previous directive planning. We have already worked out such a mechanism and similar proposals have been made to several enterprises in which the Yelabuga Motor Vehicle Works is interested. We intend to issue automatic loans. Is the construction of individual housing, which is now provided for in large amounts in Yelabuga, traditional for large new construction projects? Real conditions for each one wishing to build his own country house are being established at the Yelabuga Motor Vehicle Works today. The Yelabuga Motor Vehicle Works will pay half of the cost of the house when it concludes a contract with the worker. The plant's commercial bank will offer credit for the other half.

I am convinced that the new government decree will create real opportunities for us to commission the Yelabuga Motor Vehicle Works very rapidly.

Soviet-Italian Vehicle Construction Protocol Signed

914H0056A Moscow ZA RULEM in Russian No 3, Mar 90 pp 10-11

[Article by L. Shugurov: "Its Code Is 'A93'"]

[Text] Nikolay Andreyevich Pugin, the USSR minister of automotive and agricultural machine building, and Cesare Romiti, the director-manager of the the Italian Fiat firm, shook hands. Their signatures had dried on the pages of two agreements of intentions. This was on 21 November 1989 in Rome's Grand Hotel.

By these documents, the Soviet and Italian sides declared their mutual desire to resume cooperation in the field of automotive manufacturing. Not an ordinary event. It will be recalled that a similar agreement had been signed in May of 1966. And in 4 years, the first

small consignment of "Zhigulis," based on the Italian Fiat-124, came off the production line in Tolyatti. And now again...

The two sides, the two firms, and finally, the two businessmen, before embarking on further actions, usually sign a document called an agreement (or protocol) of intentions. It does not impose economic commitments; it just stipulates the overall objectives. Careful consideration of all the circumstances, opportunities, and consequences begins later on. The specialists—production engineers, economists, builders, suppliers, designers—draw up the feasibility study and calculate the alternatives. They somehow bear a resemblance to grand masters in chess. A specific time, let us say 6 months, is stipulated by a memorandum for consideration of the "match." When it expires, there are negotiations, and then in most cases, the signing of an agreement or contract follows. The signatory sides assume certain commitments to each other. The practical work begins at this moment.

For this reason, I was surprised to read these words in one respected newspaper: "It is only a pity that we had practically no information on the preliminary studies of the contracts and the alternatives and problems arising in connection with this right up until the start of the visit." They did not and could not have, for the negotiations were conducted by specialists, ours and the Italians', who had assured each other of complete confidentiality. In other words, they promised not to disclose the commercial and production secret until their business intentions, and then their relationships, are ratified by documents. It has been done this way for centuries.

So the agreement of intentions was signed. This is the document which concerns the establishment of a Soviet-Italian joint venture for the manufacture of passenger cars.

Construction of a large, up-to-date plant is planned jointly with Fiat. When its production capacities begin operating, it will be able to turn out 300,000 vehicles annually. This joint venture is intended for the stamping of large body panels and the welding, painting, and assembly of the car bodies, as well as assembly of the vehicle as a whole. The complete assemblies and parts will begin coming in from other plants, as in many modern automotive firms.

Where and when? The enterprise site has not been finally determined, but it is logical to assume that it will not be far from Yelabuga. The vehicles will begin being turned out at the end of 1993 or in 1994. It may seem too far off to some. But let us bear in mind that in addition to the construction work, which starts from nothing, as they say, we need to order, receive, and set up all the equipment and attachments, which will begin coming in for the new plant with Fiat's assistance and funds. So a year has been named not because of slowness or over-cautiousness, but because of the workable resources. Well, how about construction of the plant in Yelabuga

that has been begun to manufacture the "Oka" motor vehicle? Judging from available information—it has already appeared in the press—it will become the first phase of the Yelabuga Automotive Complex, and the second phase will be the joint venture with Fiat we are referring to, if the sides come to an agreement.

It should be realized that far from all the large foreign firms see us as a reliable partner. But Fiat had business relations with the Soviet Union which involved large sums when the VAZ [Volga Motor Vehicle Plant] was under construction, and it has met us halfway again. By investing foreign currency, the firm is counting on a return, naturally. The deliveries of finished vehicles to Italy, over 70,000 annually, is the compensation. The perfection of equipment for the new plant and an up-to-date system to organize production and ensure component quality will become the guarantee of the vehicles' quality.

Now about the vehicle. Assertions have appeared in our press that it will be based on the Fiat "Panda" or the Fiat "Uno." The first one is close to our "Oka," and the second is close to the "Tavriya." I confess that I was dumbfounded when I read these reports. No matter how good each one of them is today, the "Panda" was begun in 1980 and the "Uno" in 1983. So our production will be able to begin in the 14th and 11th years of their existence, and they will be old cars. Though in spite of widespread prejudice, the popular models are replaced on the production line relatively infrequently: the previous model of the "Reno-5" was turned out 12 years ago, the Ford "Fiesta" 13 years ago, and the Fiat-127 was turned out 15 years ago. But notwithstanding the opportunity to modernize, it would be unjustified to approach the end of the 20th century with a deliberately obsolete design.

Perhaps there is sense in being guided by the excellent (Fiat) engine, which was developed with the aid of computers and is designed for robotized production? But Fiat has been making it since 1985.

It should be mentioned that by developing the VAZ-2101 and VAZ-2103, which bear the stamp of the Fiat school, and by growing accustomed to its technical solutions, Soviet specialists have found their own way. This has been reflected in the "Oka," the "Tavriya," the VAZ-2121, and the VAZ-2108. We also know the original experimental vehicles, such as the NAMI [Motor Vehicle and Automotive Engine Scientific Research Institute] "Debyut" and the NAMI "Kompakt." There are other designs which it is premature to mention now, but they exist. And when you become familiar with them, you begin to realize that the "pupils" have begun to leave their former "teachers" behind in some respects.

This is a long story, but we will say only that in the final analysis, the Soviet and Italian specialists came to the conclusion that the new plant has to turn out a model that is designed jointly. We cannot say at present that its engine and transmission will definitely be manufactured

in accordance with Soviet drafts, for example, and that the suspension will be manufactured in accordance with Italian drawings. There is a great deal of work ahead for the designers of both countries. And as a natural result of the joint activity, this vehicle will be sold under the Fiat name in Italy, and under a name not yet determined in this country. But its provisional name (or rather, its working name) is model "A93." It is now known that it will be related to the second group of the extra-small class, that is, it will compete with the "Tavriya."

There is a great deal of sense in this solution. We have been speaking frequently lately about the need to eliminate monopolism in many areas of our life. We see a well-known property of the stagnation in it and assume with justification that there is an essential condition for progress in any form of activity—the principle of competition, and the chance to choose the best solution and the best product. And if the vehicles in the second phase of the Yelabuga Automotive Complex are competitive with the "Tavriya," why not build models in a third phase to rival the VAZ vehicles? This is something to think about.

As soon as the "A93" vehicle (but to be absolutely accurate, the "A93" family) is related to the second group of the extra-small class, we can try to picture the kind of design it has. It is not hard to do this on the whole, even without referring to the confidential technical documents which Fiat and the Ministry of Automotive and Agricultural Machine Building are guarding like the apple of their eye. Actually, by being familiar with the inquiries from our consumers and by analyzing the parameters and trends in the development of foreign models in the same class as the "A93" model, we can put together "an artist's conception" ["fotorobot"] of the vehicle, such as the criminologists do.

Of course, this should be a fairly general-purpose vehicle which can be operated in temperatures from minus 40 to plus 45 degrees, considering the climatic and road conditions in our country. And its annual operating distance (about 15,000 kilometers) should average as follows: 20 percent on roads with improved asphalt concrete pavement, 50 percent on roads with asphalt and gravel pavement, 15 percent on cobblestones, and 15 percent on dirt roads.

The vehicle should require a minimum of servicing and adjustment work. For this reason, it needs to have hydraulic valve tappets, an electronic ignition system, wheel bearings with permanent lubrication, and a battery that requires no maintenance. In general, this refers to technical solutions which reduce maintenance and replacement of inexpensive parts which wear out.

The customer wants to see his assembly-line vehicle well-equipped so that he can maintain and repair it himself. Perhaps this approach will finally make it possible to resolve the old problem of STO's [technical service stations], for which we sometimes lack not only material resources, but manpower as well.

And the design of the vehicle itself? In conformity with current trends, it should have front-wheel drive, a transverse-mounted four-cylinder power plant, a five-speed transmission, and independent suspension for all wheels. If we take recent requirements for economy and the ecology into account, we should expect that the "A93" engine will operate on superlean mixtures, using unleaded gasoline, and this will require electronic fuel injection and ignition.

Let us not forget that we are referring to a model in the second group of the extra-small class. Consequently, a four-passenger car with three or five doors of the "hatch-back" type which is 3,400 to 3,500 millimeters long should weigh 700 to 750 kilograms fully equipped and the engine should have a displacement of 1,000 to 1,100 centimeters, but if we take into account that the specific power by the mid-1990's will be set at a level of 55 to 60 horsepower per liter, we can expect that the "A93" engine will generate 55 to 65 horsepower. This in turn means that a vehicle with an equipped mass of 700 to 750 kilograms will be able to run for 100 kilometers in city driving on 4.5 to 5.5 liters of gasoline.

I will be reminded that this is only "an artist's conception," and not the specifications for a future vehicle. But let us keep this issue of the journal until 1994 and compare our prediction with what really exists.

Now briefly about the second agreement. It states the readiness of the Soviet and Italian sides to cooperate in developing the detail designs for other models to be turned out in Yelabuga in the future. Compared with the first document, this second document is aimed at a more distant future, and for this reason, bearing in mind the confidentiality of relations between the partners, we will return to it a little later on. Let us trust the specialists to do the work that they understand better than everyone else, and let us have patience. But so that the most curious are satisfied, we invite you to familiarize yourselves with the next page in the ZA RULEM file, where it tells about our partner, the Fiat firm.

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"Patriot", "Za rulem", 1990

Motor Vehicle Purchase Statistics Noted

914H0056B Moscow ZA RULEM in Russian No 3,
Mar 90 p 10

[Unattributed statistics on DOSAAF purchases of sports vehicles; the figures in parentheses are the prices in rubles, and asterisks indicate that "the price depends on the base model and group of preparation"]

[Text]

Automobiles

"Vikhur" Sports Vehicle Experimental Plant of the DOSAAF Central Committee, Estonian SSR: cars for the "Lada-Vikhur" rally—250 units (4,330-5,850*); cars for the "Lada-Vikhur" ring road races—50 units (3,658-4,950*).

"AvtoVAZ" Production Association: cars for the VAZ-2108-06 rally—20 units (6,500); cars for the VAZ-21083-06 rally—30 units (6,500).

Vilnius Sports Car Experimental Plant of the "Avtoremontas" Production Association, Lithuanian SSR Ministry of Transport: cars for the "Lada-VFTS" rally, based on the VAZ-2105, 2107, 2108—50 units (5,450-6,100*).

Tallinn Experimental Automotive Repair Plant of the Estonian SSR State Committee for Transport: "Vostok" and "Estoniya-21-10" formula racing cars—50 units (15,000).

Leningrad "Patriot" Production Association of the DOSAAF: carting vehicles of the "Soyuznyy-A" class, model AKU-83 with the MMVZ-3.112.1 engine—7,900 units (660); carting vehicles of the "Ts" class, model AKU-83 with the ChZ-125/516 engine—100 units (1,500).

Odessa Production Combine of the DOSAAF: carting vehicles of the KP-78 "Pioner" class—1,250 units (524).

Abovyan Racing Sports Cars Experimental Plant of the DOSAAF, Armenian SSR: special AB-82 cross-country dune buggies [baggi]—250 units (5,000); carting vehicles of the KP-78 "Pioner" class—1,150 units (524)

Domestic Motorcycles

Lvov Motorcycle Plant: LMZ-2.752 cross-country motorcycles of the 50-cubic-centimeter class—550 units (260); "Spidvey-125Yu" speedway motorcycles of the 125-cubic centimeter class—150 units (410).

Riga "Sarkana Zvaygzne" Motorcycle Plant: RNMZ-2.720 cross-country motorcycles of the 50-cubic-centimeter class—1,000 units (295).

"Motovelo" - Minsk Motorcycle and Bicycle Plant - Production Association: MMVZ-3.221 cross-country motorcycles of the 125-cubic-centimeter class—1,000 units (800); MMVZ-3.227 motorcycles of the 125-cubic-centimeter class for ring road races—60 units (1,450).

Kovrov Plant imeni V. A. Degtyarev: "Voskhod-175 SMB-3" motorcycles of the 175-cubic-centimeter class for motorcycle soccer—500 units (670); "Voskhod-175 ShK-4" motorcycles of the 175-cubic-centimeter class for ring road races—50 units (730).

"Izhmash" Production Association: IZh-6.216 cross-country motorcycles of the 350-cubic-centimeter class—1,600 units (1,070); IZh-6.216.1 motorcycles of the 350-cubic-centimeter class for all-round competition—300 units (1,090); IZh-6.218 motorcycles of the 350-cubic-centimeter class for ice track racing—50 units (1,750).

Irbis Motorcycle Plant: IMZ-8.201 cross-country motorcycles of the 650-cubic-centimeter class, with sidecars—600 units (744).

Imported Motorcycles (Czechoslovakia)

Cross-country motorcycles: ChZ-125/516—2,180 units (1,560); ChZ-250/513—1,800 units (1,650); ChZ-400/514—580 units (1,950).

Classic speedway motorcycles (400-meter track): YaVA-500/897.2—250 units (2,460).

Motorcycles for races on a 1,000-meter track: YaVA-500/896.0.02—50 units (2,550).

Motorcycles for ice track races: YaVA-500/893.0—130 units (2,700).

*Price based on model and accessories.

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Fiat Panda Profiled

914H0056C Moscow AVTOMOBILNAYA
PROMYSHLENNOST in Russian No 10, Oct 90 p 38

[Report by V. A. Sizukhin: "The Fiat Panda Automobile"]

[Text] The possibility that the Fiat Panda family of automobiles (Model 1000 and the "Four by Four") may be manufactured under license in our country is now under consideration. For this reason, a brief description of their design features is obviously of interest to readers.

The Panda is a three-door hatchback with a front-wheel-drive transverse-mounted engine (although there is a "four by four" four-wheel-drive model with a transmission for driving the rear axle which is engaged by raising a lever on the floor). The various models in this family have quite a few common features in the designs

of the DVS [internal combustion engine], the transmission, suspension, and so forth. They have a four-cylinder in-line gasoline engine; the transmission is mechanical, four- or five-speed, mounted together with the final drive and differential, and the shift lever is floor-mounted; they have independent front suspension of the "swinging candle" ["kachayushchayasya svecha"] type, with cylindrical springs; the rear suspension is independent with cylindrical springs as well, but with longitudinal arms and a stabilizing cross-member (on the Panda 750 and Panda 1000 models), or an independent spring cross-member (two three-leaf springs) on the Panda Four-by-Four model; the shock absorbers are hydraulic and double-acting, integrated with a strut.

The Panda's operating brake system has a separate hydraulic drive and automatic clearance between the shoe and the operating surface. The front brakes are the disk type and the rear brakes are the drum type. The mechanical parking brake system, which controls the shoes of the rear wheel brakes, is operated manually by a lever on the floor between the two front seats.

The Panda has rack-and-pinion steering with an anti-theft device and a joint of the "Nadella" type.

The exterior lighting and signals include two square headlights, a front turn indicator, side repeaters, and two tail lights which combine a standard-size light, a braking signal, a turn signal, a backup light (in the right-hand light), and a fog light (in the left-hand light), as well as a license plate light.

The Panda's trunk is 0.27 cubic meters in volume. It is separated from the car's interior by the rear seat back with a firm ledge. When the seat back is opened out, the trunk volume is increased up to 0.63 cubic meters.

Some of the car's specifications are provided in the table.

Parameters	Version		
	Panda 750	Panda 1000	Panda 4 x 4
Engine:			
Displacement, in cubic centimeters	769	999	999
Compression ratio	9.4	9.5	9.5
Maximum power, in kilowatts (horsepower)	25 (34)	33 (45)	37 (50)
Maximum torque, in kilogram force-meters (newton-meters)	5.8(58)	8.0(80)	7.9(79)
Dimensions, in millimeters	65 x 58	70 x 64.9	70 x 64.9
Overall measurements of the vehicle, in millimeters	3,408 x 1,494 x 1,420	3,408 x 1,494 x 1,420	3,408 x 1,500 x 1,485
Wheelbase, in millimeters	2,159	2,159	2,170
Front wheel span, in millimeters	1,263	1,263	1,254
Rear wheel span, in millimeters	1,265	1,265	1,258
Mass in kilograms, fully equipped	700	700	790
Maximum speed, in kilometers per hour	125	140	130
Time to accelerate to 100 kmh, in seconds	23	16	17.5
Fuel consumption, in liters per 100 kilometers	6.2	6.3	7.0

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RAIL SYSTEMS

Railroad Modernization Program Urgently Needed

914H0048A Moscow GUDOK in Russian 20 Nov 90 p 2

[Article by A. Gelman, RSFSR distinguished builder and engineer, and B. Yakovlev, honored railroad worker and professor: "So As Not To Exceed the Time Permitted for a Move"]

[Text] In order not to exceed the time permitted for a move, it is necessary to develop a program for the radical reconstruction of the railroads during the years 1996-2000 on a truly scientific basis.

Matters are not going well with the construction of new railroads, especially at installations on the operating network (secondary routes, electrification and the expansion of stations). We are lagging behind not only France and Japan but also China and Brazil in new railroad construction. China, for example, annually commissions 1,000 kilometers of new lines but our plan for the five-year plan is 2,300.

We need as many high-capacity railroad mainlines, which would insure the normal operation of main avenues and an increase in the networks maneuverability, as highways. The establishment of such mainlines by reconstructing existing lines connected with new sections will increase train travel speed and reduce railcar processing time.

Ministry of Railways organizations have developed a draft program for re-equipping and modernizing the railroads during the years 1991-2000; however, this draft has not been discussed in the press and barely more than a month remains until the beginning of 1991.

The problem of the most effective use of capital investments during the years 1996-2010 arises. It is necessary to begin work on this problem without delay in order to have a precise plan for the 16th Five-Year Plan and a program for the period out to the year 2010 no later than the end of 1994. It is necessary to involve a wide circle of the scientific, engineer and technical community in this work and to organize a discussion in the press of the proposals being put forward.

Let us examine some of the most important items which, in our view, it is necessary to include without fail in the program for the radical reconstruction of railroads during the 1996-2010 period. First of all, there is the completion of the strengthening of the country's major mainline—the Transiberian. It is no less important to complete the formation of the Central Siberian Mainline. In particular, it is necessary to accelerate the construction of its outlet to the west on the Denisovka-Bredy-Sarakhtash avenue.

The agreement that was concluded with the People's Republic of China about establishing a China-Europe international transit rail avenue, which would restore the historic "silk route," has brought to the forefront new problems in expanding the network.

First problem. A plan is appearing for establishing a transit avenue using the Central Siberian's western outlet: Aktogay-Sayak-Mointy-Karaganda-Tobol-Denisovka-Sarakhtash, which is 800 kilometers shorter than the present one through Alma-Ata and Arys. Since the commissioning of the Druzhba-Aktogay section and further on to Alma-Ata has been set for 1992, it is advisable to strengthen the first phase of the Aktogay-Sayak section by this time and to construct the new and short Denisovka-Bredy section (90 kilometers). This work will be repaid in a short time.

The second problem—the "silk route's" extension to the west—is the establishment of a latitudinal transit avenue in the country's European part. One cannot let transit traffic pass through the overloaded Moscow hub. It is necessary to search for other solutions. One plan could be the reconstruction of the Sarakhtash-Sennaya-Saratov bypass-Tambov-Lipetsk-Bryansk-Gomel-Brest avenue.

The third problem is the connecting of Moscow with the network of high-speed mainlines in Western Europe. The initial plan calls for a high-speed line from Moscow to the border and then on to Warsaw and Berlin. One of the positive indicators for this plan is the relief of the Brest rail hub.

Very many problems in expanding the network require a solution in Siberia and the Far East. Let us point out only two of them. First, there is the extension of the Central Siberian from the Srednesibirskaya-Meret section to the east. The completion of the Central Siberian's formation is a necessary condition for the successful completion of the program for developing the Far East.

One of the most serious consequences of the many years of inattention towards rail transport problems is that we will enter the 21st century with a single dual-track mainline in the east—the Transiberian—with the single Tayshetskiy hub. This is a very difficult problem requiring large expenditures and quite a bit of time, but it is necessary to solve it.

The second one is the completion of the Amuro-Yakutsk mainline's construction. It is advisable to examine a plan for the two-stage construction of AYAM [Amuro-Yakutsk Mainline]. It is necessary to construct the Berkakit-Tommot line first with an exit to the Lena River using the shortest avenue. Maritime vessels can travel to this section and then up the Lena.

It will be possible to carry out the construction from the south and the north; substantially fewer capital expenditures will be required; construction time will be reduced; and the port of Osetrovo, which is operating under extremely difficult conditions, will be relieved. It is

necessary to put off the construction of the Tommot-Yakutsk line to the second stage. Possibly, this plan will be better in comparison to the one that has been adopted.

We have only briefly examined some of the problems in reconstructing and expanding the railroads. Quite a few other important questions are arising during the development of the program for the years 1996-2010. The carrying out of all this work on the railroad network will require multibillion assets and one must radically strengthen and modernize the production base of the Ministry of Transport Construction and Ministry of Railways construction subunits.

In order for the limited capital investments to provide the greatest effect, it is necessary to develop a plan today for carrying out regional transport research and technical economic substantiation.

High-Speed Rail Line Planning Continues

Leningrad Conference Opens

914H0047A Moscow GUDOK in Russian 18 Nov 90 p 2

[Article by N. Davydov: "This Mainline Is Needed"]

[Text] The Second All-Union Conference on High-Speed Rail Transport Travel opens today in Leningrad. More than forty of our domestic and foreign organizations, enterprises, and banks will participate in its work. It is faced with discussing the timeframes for the high-speed Center-South route and developing the scientific plan in which the country's largest research institutes have participated. Representatives from many Western firms, which produce equipment for high-speed travel: the French, Germans, Italians, Finns, Swiss, and others, have come to the city on the Neva. The International Association for High-Speed Rail Transport (the Soviet Union became a member of it at the end of September of this year), the European Association of Railroads, and a number of Finnish companies and American firms, who have participated in building the tunnel under the English Channel, are now displaying great interest in the establishment of this high-speed route. Thus, it looks very much like there is no need to fear a shortage of credits for the coming construction. The question concerns the basis on which they will be offered.

What are the specific goals and tasks that the conference organizers have placed before themselves?

First, to speed up the decision on the construction start of a test and experimental section, most probably on the Leningrad-Novgorod segment.

Another very important problem is the coordination of the efforts of different ministries and departments in designing domestic high-speed rolling stock and assigning leading enterprises to produce it.

Furthermore, it will be necessary to examine questions connected with nontraditional forms for financing the construction project. The establishment of joint-stock companies, consortiums and innovative commercial banks is assumed. Not only Soviet joint-stock banks but also foreign firms can be the shareholders in them.

Finally, we will now talk about the interaction of the future high-speed network in the USSR with the similar European network. It is necessary to evaluate two priority avenues: Leningrad-Vyborg-Luzhayka and then on to Helsinki and the Moscow-Minsk-Brest and subsequently to Warsaw-Berlin-Western Europe.

Considering the difficult political and economic situation in the country, a reasonable question arises: How do local, republic and union organs of authority regard the idea of constructing a high-speed mainline?

The Leningrad, Tver, and Novgorod oblispolkoms have agreed in principal to building the route over the territory of these oblasts. That is why land-surveyors and geologists have traveled to the site of the proposed construction to conduct the necessary investigations. The authors of the plan have received support in principal from the RSFSR Supreme Soviet's Commission on Transport. The draft was discussed at the beginning of the year in the USSR Supreme Soviet's Transportation, Communications and Information Technology Commission.

I think that the opinion of A. Sobchak, the mayor of Leningrad, on this question would be of interest to the readers and conference participants:

"Put simply—this mainline is required. Leningrad cannot be a tourist center and a free economic zone without modern transport communications. However, the Leningrad Soviet will barely participate in the financing of this project and in the accepted interpretation of it The city could become one of the shareholders, subsequently relying on a percentage of the profit."

A briefing is being held today in the hall for official delegations at Leningrad's Moscow Station. Practical work will begin tomorrow in the conference hall of the Pulkovskaya Hotel. The conference will last three days and will end with a press conference during which the results of the discussion will be summed up.

Deputy Rail Minister Gives Briefing

914H0047B Moscow GUDOK in Russian 20 Nov 90 p 1

[Briefing by Gennadiy Matveyevich Fadeyev, first deputy minister of railways]

[Text] The second international conference devoted to the problems of expanding high-speed travel on rail transport and the establishment of the high-speed Center-South superline began its work the day before yesterday in Leningrad.

The conference participants and journalists arrived in the city on the Neva Sunday morning. A short briefing was held here, in the Moscow Station. G. Fadeyev, first deputy minister of railways and the director of the state scientific technical program entitled: "High-Speed Ecologically Clean Transport," gave the talk.

When speaking before those assembled, Gennadiy Matveyevich emphasized the enormous national economic and social significance connected with the commissioning of the first phase of the separate high-speed Leningrad-Moscow route. Its operation will not only permit delivery of passengers from the city on the Neva to the capital to be accelerated (presumably these trips will be carried out in 2-2.5 hours) but also the problem of the ever increasing volume of freight shipments to be solved on the freed present Leningrad-Moscow mainline.

The Soviet Union is planning the construction of a high-speed mainline for the first time. The scientific design for a high-speed Leningrad-Moscow-Kharkov-Crimea and Caucasus mainline, was completed in 1989 in accordance with the work plan in the "High-Speed Ecologically Clean Transport" state scientific technical program. The USSR Ministry of Railways All-Union Railroad Transport Scientific Research Institute has been confirmed as the leading organization on the problem.

It was pointed out that the first phase of the Leningrad-Moscow high-speed line, which presumably will become operational by the year 2000, will cost the state 2.6 billion rubles and will pay for itself within eight years after it starts operating.

The Lengiprotrans Institute has already come up with a preliminary design for this route; it is now undergoing an examination by experts in Gosplan.

Representatives from a number of leading foreign transport firms are participating in the conference. More than 50 of our country's ministries and departments worked on developing the scientific design.

We will talk about the progress of the international conference on high-speed travel and about the results of this action, which is important for the development of our domestic rail transport, in future issues of our newspaper.

High-Speed Rail Line Conference Concludes

914H0051A Moscow GUDOK in Russian 24 Nov 90 p 1

[Article by N. Davydov: "There Must Be No Delay"]

[Text] The Second All-Union Conference on High-Speed Travel in Railroad Transport, held in Leningrad, has concluded. Representatives of scientific-technical transport organizations, transport construction and industry

took part in its work, as well as businessmen and specialists from national railroads, public and scientific organizations and industrial firms in a number of countries in Europe, Asia and America.

The editors intend to tell, in as much detail as possible, how it went, and meanwhile, as they say, to give an immediate precis of the most important impressions and evaluations.

In most of the economically developed countries, the rates of creating high-speed rail lines are increasing, and by the year 2000, they will cover 9,000-10,000 kilometers. Under the aegis of the European Economic Community, a unified European high-speed network is being created, which now includes 14 West European states. There are plans to build these mainlines in Austria, Canada, the United States, South Korea and a number of other countries.

Our readers are already familiar, through many publications, with the plan for the first domestic high-speed mainline, as well as with the fact that the attitude toward this program is far from being unequivocal. This is precisely why, after the conference concluded, we asked Alfred Henning, businessman, and Klaus-Dieter Gize, head designer of a firm producing high-speed rolling stock, Linck-Hoffman-Busch, of the FRG, a rather unusual question:

"Not only among the inhabitants, but also among transport specialists in our country, the opinion exists that in the present situation there can be no question of high-speed railroads. They say, the existing ones must be improved, rather than creating fantastic plans which require huge funds. What is your evaluation of this viewpoint?"

"High-speed routes are also a stimulus and mover for progress in railroad transport. Moreover, they are the only chance to compete with air and motor vehicle transport. Due to high-speed, we have drawn two-thirds of the passengers who formerly preferred airplane or motor vehicle transport.... Even if you do not start to put your plans into action right now, in one or two decades you will still have to take on the task. This means there must be no delay. Of course, it will be difficult to take up this program yourselves. You must negotiate for international support."

As was learned on the last day of the conference, Germany and France are ready to stretch out a helping hand to us. A memorandum was signed with the leaders of the German delegation on intentions for cooperation in the sphere of high-speed traffic. The French delegation agreed to render us all possible assistance.

The conference adopted a recommendation in which, in particular, specialized high-speed lines are to be considered the chief strategic direction in the development of passenger transport. It is proposed that the Ministry of Railways, GKNT [State Committee of the USSR Council of Ministers for Science and Technology] and

USSR Gosplan submit to the government a draft of a decree on building the main Leningrad-Moscow section of the high-speed mainline, and set up the construction base as early as next year. Finally, a request is to be made to the Supreme Soviets of the USSR and RSFSR, as well as to oblast, city, rayon and settlement Soviets of Leningrad, Novgorod, Tver and Moscow oblasts, to render utmost assistance in performing the research work.

Open Letter to Rail Minister Scores Donbass Operations

914H0051B Moscow GUDOK in Russian 24 Nov 90 p 1

[Open letter to N.S. Konarev, minister of Railways, on behalf of the work collectives of the stations of the Debaltsevo Division, signed by V. Pravda, station chief, L. Shmelev, receiving consignor, A. Trofimov and V. Stupakov, shunting foremen, L. Kononova and T. Titova, station duty attendants, and others (a total of over 100 signatures): "Ecological Indifference: This Is the Evaluation of Our Department in the Donbass"]

[Text] This letter is not a tribute to today's fashion of appealing to the first director through the press directly, but represents our pain and anxiety. GUDOK has written about the problems that we are raising, both earlier and in the spring of this year. But they are not being solved, and moreover, they are being ignored. We, the workers of the coal-loading stations of the Debaltsevo Division, were prompted to turn to you with a letter by your request, made from the platform of the 25th Congress of the Trade Union of Railroad Transport and Transport Construction Workers, that the workers of our sector do everything to finish this year with a clear-cut solution to the difficult problems of providing transport, which include particular attention to allocating fuel.

"There will be no heat," you said, "nor will the people be in the mood for calm."

These are true words. You well know what an important role the greatest coal-loading division of the country—Debaltsevo—plays in ensuring this calm. Its potential is 10 percent of the general-network dispatch of fuel. This potential is only partly utilized: now, in 10 months, the station division has been undersupplied about 100,000 cars, and the dispatch of about 7 million tons of coal has been disrupted. Indeed, we have been punished by the loss of millions in revenues.

Still, our alarm, even a cry from the heart, is not so much because of the shortage of empty cars—we are used to this. The trouble lies in something else: in the consists that arrive, there are a lot of disabled cars, and moreover, with tons of freight left in them.

Here are the statistics. While last year, an average of over 2,000 dirty cars arrived monthly at the road division, this year their flow has risen many times over. In August, for example, about 7,000 arrived, and in September—over 8,000. It becomes more difficult every day to rehandle such a lot—over 150,000 dirty cars have arrived in 10 months.

In our region of mines and spoil banks, metallurgical, coking and chemical enterprises, the environmental protection movement is gathering force. The sword of Damocles is literally hanging over us, the railroad workers. The city and settlement councils of People's Deputies and environmental protection committees issued an ultimatum requiring the cleaning of dirty empty cars to be stopped at 22 coal-loading junctions. Two-thirds of the station chiefs received very strict warnings, and some of them have already been fined more than once.

This is understandable. In the hand-created spoil banks that have grown up in the last few years at the Borzhik-ovka, Kumshatskiy, Pelageyevskiy and Rassypnaya stations, there are hundreds of thousands of tons of these residues of toxic chemicals and fertilizers, building materials, salts, ores, shavings and sulfur. From this whole mass, which takes up hectares of fertile soil, comes a stench, and in rainy weather the toxic flows run into the gulleys and reservoirs. The springs and mass recreation sites are threatened. This year alone, the division paid out 50,000 rubles to people who had voluntarily undertaken to clean the cars. Indeed, another 175,000 rubles were laid out for related workers to do this job.

What awaits us in winter? You will hardly find people wanting to chisel the frozen monoliths of those residues with picks and crowbars. Industrial enterprises too, under market conditions, are in no hurry to help the railroad workers. We find ourselves in an extreme position. On the one hand, you try to delay the dispatch of fuel, and on the other hand—we are wracking our brains over what to do with the refuse, which, incidentally, is a very expensive matter. Indeed, how can we pay for the slovenliness of those who 'kick out' to the Donbass cars with left-over goods?

Is it not really a paradox, Nikolay Semenovich, when the staff of the sector that you head regards these disgraceful things with its usual indifference? They think that the main thing is to fulfill the assignment of regulation, at any price, it does not matter, they say. It would be worth thinking about, though: after all, each dirty car is out of circulation for 2-3 days.

Is there a way out of the situation that has formed? There is. In the first place, the ministry should, in an efficient manner, stop the transfer of an uncleaned empty car from its site of origin to the Donetsk Railroad and our division. In the second place, the roads that are to blame

for our being forced to engage in cleaning the dirty cars should fully compensate us for the losses. In connection with the instructions of the environmental protection committees on the Debal'tsevo Division, the decision has been made, beginning with the new year, to throw the dirty cars back.

With this letter, we appeal to GUDOK, with a request to publish it, because one-and-a-half months ago, almost the same text was delivered to representatives of the Ministry of Railways, but so far, as they say, there has been "no answer, no greeting." That is why we have decided to act in the spirit of glasnost.

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